

# NATION'S BUSINESS

OCTOBER • 1932



IN THIS ISSUE

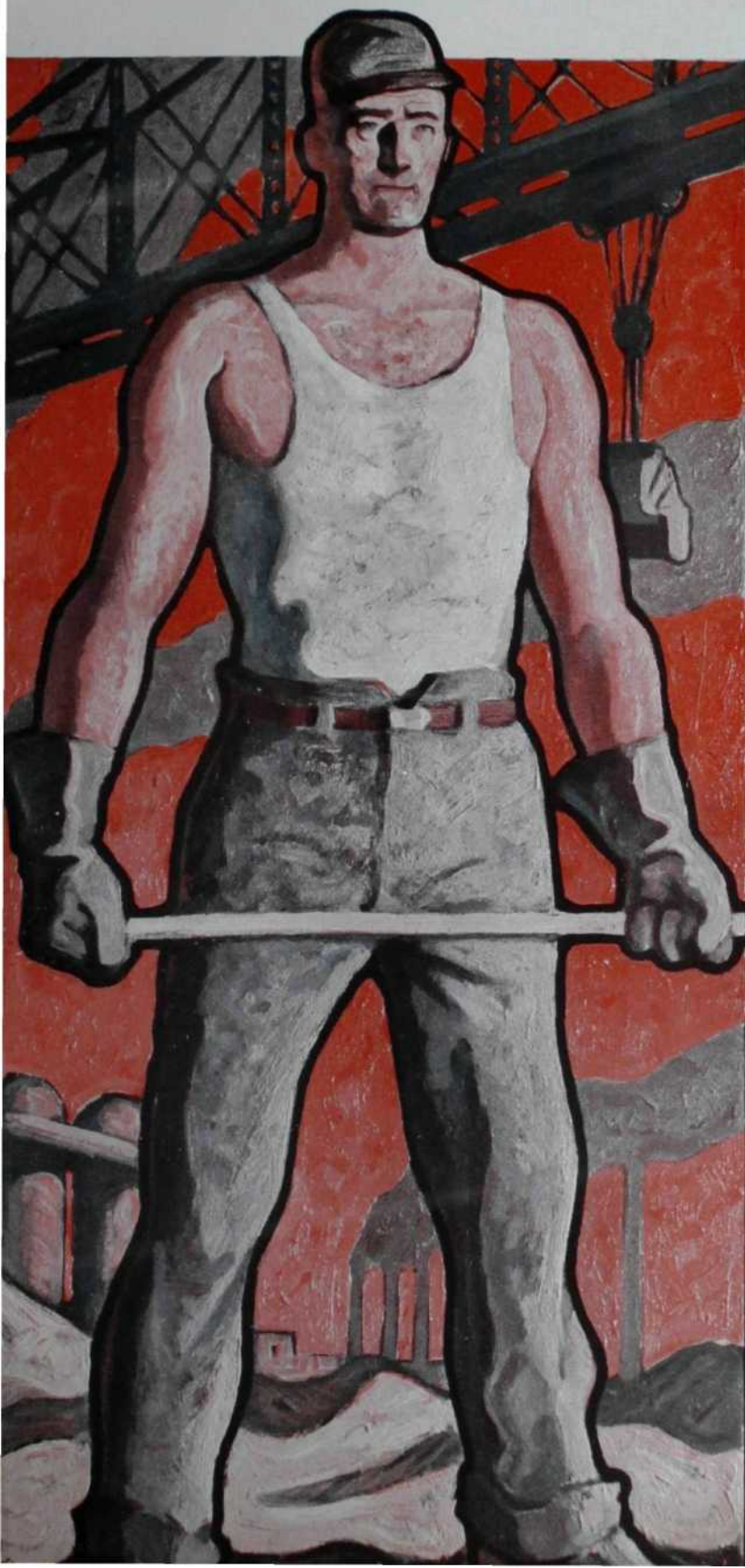
**J. H. Pew** says:  
"oil is the worst taxed  
industry"

•  
**Silas H. Strawn**  
says: "Taxes can be  
cut if—"

•  
**Alexander Legge**  
discusses: "farms for  
the unemployed"



PUBLISHED BY THE  
U. S. CHAMBER OF COMMERCE  
MERLE THORPE, Editor





# To Help You Take Full Advantage of the *Business Upturn*



**NEW ALL-PURPOSE HAND-OPERATED ADDRESSOGRAPH**

Imprints names and business data *ten times faster* than typewriter or pen. Addresses postals, letters, booklets, broadsides, circulars, house organs, prints short messages, etc., through a ribbon . . . like your typewriter. 1000 and more an hour! 100% accurate!



**NEW MOTOR-DRIVEN ADDRESSOGRAPH**

Operating speeds of these machines, which range from 15 to 50 times faster than hand or typewriting . . . together with the unfailing accuracy and high quality of the work turned out . . . effect greatly decreased costs, improved clerical efficiency and increased profits when applied to the mechanical writing, listing or imprinting of names and data on forms used in every phase of business.

**E**VERYWHERE you hear it, expressed with confidence: "Business is coming back!"

We are feeling the upturn in the release of orders that have been waiting for months for the "turn" . . . and in the increased demand for information from all kinds of businesses, large and small.

Increasing sales, reducing expenses, eliminating mistakes, and increasing profits have been the accomplishment of Addressographs and Multigraphs in thousands and thousands of businesses.

To our already extensive line of products, many new machines for many new applications have been added, to help solve a wide range of business problems.

We have a representative in your vicinity who will explain, without obligation, how Addressographs and Multigraphs will benefit you in your business.

Addressograph Company  
Multigraph Company  
Divisions of  
Addressograph-Multigraph Corp.  
Cleveland, Ohio

*These are just a few of the many new Addressograph-Multigraph machines developed to help you increase profits now . . . ask for information on the complete line.*



**NEW HAND-OPERATED PRINTING AND TYPEWRITING MULTIGRAPH**

A remarkably simple machine, which produces a high quality of facsimile typewritten material through a ribbon, or printed material with type and ink. Requires only a small investment. Greatly reduces printing bills, and makes possible big returns from the post cards, letters, bulletins, folders and other advertising it produces.



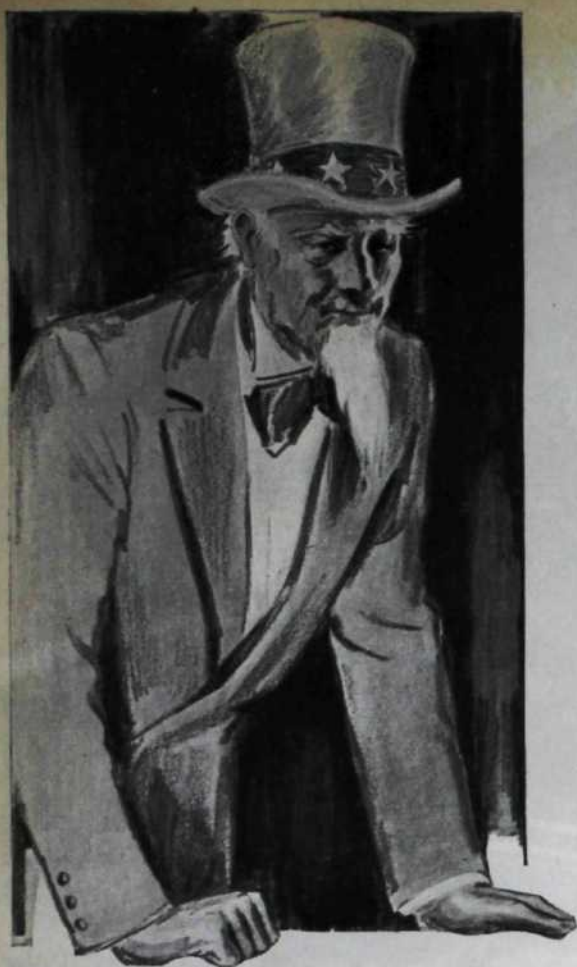
**NEW MOTOR-DRIVEN PRINTING AND TYPEWRITING MULTIGRAPH**

An efficient machine that can be profitably adapted to the printing and sales promotion needs of any enterprise. Produces facsimile typewritten letters through a ribbon. Also prints a high quality of advertising literature, and office and factory forms, from type and ink, at the rate of 4800 hourly.

**Addressograph**  
TRADE MARK

**Multigraph**  
TRADE MARK





# "I PROPOSE A Reduction of 25% IN OPERATING COSTS

*By Means of:*

**Combining Departments—  
Consolidation of  
Records, and  
Increased Efficiency"**

UNCLE SAM, like many other business organizations, is asking "How can I hold my place in the world and yet reduce overhead costs?" This question is very much in order, and it is interesting to note how leading business executives have concentrated on its answer.

The greatest move in this direction is bringing related departments together again, consolidating their records, eliminating needless overhead and increasing efficiency. This is how Acme is helping executives "balance their budget" and STAY IN BUSINESS AT A PROFIT.

Have you considered how your present overhead could be reduced by combining certain departments and consolidating their records?

Guided by years of experience and serving every known kind of business, Acme has developed new short cuts in rapid recording of sales, credits, purchases, costs, inventory, employment, etc.—for example, new forms for two, three and in some instances more department records are being carried in one unit. Economies effected through Acme VISUALIZED Records are saving the day for business executives.

**Mail the Coupon and Let Us Send You "Taking Up the Slack"**

*This is a new message for chief executives—covering present conditions and looking 18 months ahead. It will tell you things that will be of vital interest to you. "Taking Up the Slack" will give you sound ideas. Let us send you a copy.*

**ACME CARD SYSTEM COMPANY, 2 South Michigan Ave., Chicago, Ill.**  
*World's Largest Exclusive Manufacturers of Visible Equipment*



**ACME**  
**Visible Records**  
**PROFIT BUILDERS OF  
MODERN BUSINESS**

ACME CARD SYSTEM COMPANY

N. B. 10-32

2 So. Michigan Avenue, Chicago, Illinois

Gentlemen: Please send me your new message for executives  
—"Taking Up the Slack."

Name.....

Address.....

Name of Company..... Title.....

I would be interested in combining the

following: { Departments.....  
Records.....





### SLOW vs FAST

Efficient slowness may be the snail's characteristic; but the modern world demands *efficient speed*, for the saving of both time and money. In many places the speedy Mimeograph is saving more than five thousand dollars yearly. For the quick and inexpensive duplication of all kinds of forms, letters, bulletins, charts, etc., it stands supreme. Latest information concerning its economies can be had from A. B. Dick Company, Chicago—or see telephone directory for local address.





# To the Man who has Held his Job through the Depression

**T**HE man who has held his job during the worst depression the world has ever seen is in an enviable position.

So many men have gone backwards during the last three years—lost their savings, lost their jobs, lost their nerve. When the depression is over, it may take these men years to catch up.

But the man who has kept his job, who has kept in direct touch with the changes that are taking place in business methods—that man will be fitted, the minute the period of recovery begins, to *make faster progress than he has ever made before in his life.*

How can you be sure to make the most of this opportunity when it comes?

Danger lies in the fact that you may become satisfied with yourself—that you may let down just at the moment when full steam ahead will produce rich profits. Many men will do this. They are spending so much energy in weathering the depression that they will have nothing left to offer when their big opportunity comes.

When business takes the turn for the better, when companies begin to expand and take on new men, will you be ready to take full advantage of your experience and position?

The Alexander Hamilton Institute has published an interesting 40-page booklet on this subject. This booklet

points out the exceptional income opportunities for exceptional men which will occur in the next 5 years. It also announces an unusual Serv-

## Proof that this Service Pays

Some of the heads of corporations who have used the Institute Service are listed below. The judgment of such men is an argument stronger than anything we could write.

SEWELL L. AVERY, President,  
Montgomery Ward & Co.

EDWIN A. FULLER, President, Fuller  
Construction Company.

FRANCIS A. COUNTWAY, President,  
Lever Brothers Company. (Mfrs.  
of Lux and Lifebuoy Soap.)

CHARLES E. HIRES, Chairman of  
the Board, Hires Root Beer  
Company.

R. M. BARTHOLD, President, Cali-  
fornia Packing Corporation.  
(Del Monte Brand.)

ROY HOWARD, Chairman of the  
Board, Scripps-Howard News-  
papers.

GEORGE M. SHRIVER, Senior Vice-  
President, Baltimore and Ohio  
Railroad.

ice, available to you *in your own office or home*, which enables you to prepare yourself to take advantage of these rich opportunities.

The ablest business minds have contributed greatly to this new Service. Read the names of a few of them: Alfred P. Sloan, Jr., *President*, General Motors Corporation; Bruce Barton, *Chairman of the Board*, Batten, Barton, Durstine & Osborn, Inc.; Dr. Julius Klein, *The Assistant Secretary*, U. S. Department of Commerce; David Sarnoff, *President*, Radio Corporation of America, and many others equally prominent.

Men who are satisfied with departmental jobs and small earnings will not be interested in this type of Service. It is offered to the kind of men who want to become officers of their companies or go into business for themselves.

The booklet, "What an Executive Should Know," is well worth half an hour of your time. Many men have said that in 30 minutes it gave them a clearer picture of their business future than they ever had before. Send for it today.

To the ALEXANDER HAMILTON  
INSTITUTE, 676 Astor Place, N. Y. C.

Send me "What an Executive Should Know," which I may keep without charge.

Name .....

Age .....

Business Address .....

.....

Business Position .....

# ALEXANDER HAMILTON INSTITUTE

When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business



# RECORDS LIKE THESE

**99<sup>9</sup>/<sub>10</sub>%**

of all cars of perish-  
able freight delivered  
in New York by Erie  
arrived on time . . . .  
(first 6 months 1932)

**98<sup>2</sup>/<sub>10</sub>%**

of Erie merchandise  
cars to and from  
Chicago arrived at  
destination on time.  
(first 6 months 1932)

**99<sup>2</sup>/<sub>10</sub>%**

of Erie merchandise  
cars to and from  
Akron arrived at  
destination on time.  
(first 6 months 1932)

*Prove the  
Dependability  
of ERIE  
Freight Service*

**ERIE**

**RAILROAD**

**SYSTEM**



# NATION'S BUSINESS for October

VOLUME 20



NUMBER 10

## CONTENTS

### Back-to-the-Farm

The United States has plenty of unoccupied land. Right now it has too many unemployed. Why not put the unemployed back on the land where they could be self-supporting? This idea has appeared in various forms as a solution for present conditions. Alexander Legge, former head of the Farm Board, has given it considerable thought. In an interview beginning on page 16, he explains why he is against it on a wholesale scale, although there are some phases of such a scheme which would, he believes, have many advantages.

### A Squawk

That is Mr. Pew's own name for his article which begins on page 20. He is the President of the Sun Oil Company and he believes that the petroleum industry is the most severely taxed on earth. Several other industries have laid claim to this unhappy distinction. If you feel that your own business or trade pays a heavier levy than Mr. Pew's, we will be glad to hear from you.

### Taxes

Some progress has been made in the efforts to reduce costs of government. How much more can be

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done depends, in the opinion of Silas H. Strawn, on business men. In his article beginning on page 23 the former president of the U. S. Chamber of Commerce explains what, in his opinion, the next step should be.

### Prosperity

The statement that "Prosperity is just around the corner" has been worn pretty threadbare. Most people have ceased to believe it. Others, who refuse to take hard times for granted, are still looking around corners. What such investigations reveal and what the seekers are doing with the information thus acquired makes an interesting article which begins on page 25.

### Five-Day Week

Two separate groups are studying this question which is, in fact, two questions. The importance of the subject at this time and the reasons for these investigations are explained on page 32.

### Kiplinger

Since Mr. Kiplinger is taking a deserved vacation in Europe, his popular monthly letter on conditions in Washington does not appear in the magazine this month.

MERLE THORPE, Editor and Publisher

Managing Editor, WARREN BISHOP



Business Manager, J. B. WYCKOFF  
Circulation Manager, LAWRENCE F. HURLEY

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Building. As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00; Canada: Three years, \$9.00; one year, \$3.50. Please notify us promptly of change of address.—Nation's Business, Washington, D. C.



# Are business brains as important as plate glass?

Business men insure their factories and stores against fire and storm. They insure their buildings, their merchandise, their machinery—even their plate glass show-windows. And they are wise in doing so.

But no business is really "fully covered" unless it has insured the *brains* that make the business successful.

The untimely loss of a partner or an important executive often costs a business more than any fire or storm could ever cost it. Adequate insurance on the life of this keyman—made payable to the company—compensates for the loss. It is a stabilizing influence in a trying time. In many cases such insurance has actually saved the solvency of the concern.

The Equitable has prepared an interesting booklet on this subject of business insurance. It is called *Underwriting the Human Asset in Business*. It explains exactly how business insurance works . . . in partnerships and corporations . . . how it strengthens the credit of a business from the day it is taken out. In short, this booklet contains a great many interesting facts that every business executive should know.

A copy will be sent on request.



**THE EQUITABLE**

FAIR—JUST

**LIFE ASSURANCE**

SECURITY—PEACE OF MIND

**SOCIETY**

MUTUAL—COOPERATIVE

**OF THE U.S.**

NATION-WIDE SERVICE



## Through the EDITOR'S SPECS

**A** CALLER whose textile firm is weathering its fourth business depression recently put in a sentence a train of thought now engaging many alert minds. He said:

"I wish I were 30 and the competitor of my own business."

His remark was no wistful look over the shoulder at events and mistakes of the past. Just a clear look from the inside out at facts which sometime—and he is curious just how soon—will become apparent to those looking from the outside in. He continued:

"We are a large firm, respected in the trade. But we are creaking with the responsibilities that come from age and size. The overhead of a large building designed to accommodate a demand that has subsided. Hesitance over cutting out marginal lines, for fear that new designs might not go. Old employees, most of them with us more than 15 years. Loyal? To the core. Competent? Yes. But their jaws don't stick out as they used to. Chances look bigger every year. They won't argue with me and turn the light on my mistakes as they once did. I suppose I could trade them for youngsters at half the price. But I won't. We've gone this far together. We'll go the rest of the way. Besides, youngsters irritate me nowadays.

"What a sucker we would be for some smart, aggressive young fellow, who would have no pride to swallow in doing his manufacturing in a back loft no larger than he really needed; who would have no sentimental attachment for outworn models that don't sell readily; who would employ youngsters ready to take chances, and willing at the drop of a hat to have a spirited row with a lagging production manager or an overbearing sales manager. Yes, sir, one of these days such a young fellow is going to take our measure and we'll not look too big to him. Then it will be just too bad."

And they say that the days of the little business are over! What young fellow is sizing up your firm and concluding that you are just his dish?

**HAVE** confidence in the country's banking structure, urges Uncle Sam while he pours several billion of our money into the country's financial



# TOO LATE!



**A** WAGE EARNER disabled through an industrial accident represents a serious human and economic waste.

Anything that is done *after* an accident is too late. Prevention of accidents is the only constructive answer.

The accident prevention effort conducted by *mutual* casualty insurance companies among their compensation policyholders has been effective. The interest and cooperation of both management and workers have been enlisted.

Thousands of individual plants insured in *mutual* companies have reduced accidents as much as 50% as compared with previous records.

Many benefits to the employer, *mutually* insured, come from reduction of accidents; among them the very practical benefit of substantial reduction in insurance cost. This comes about in two ways; first in a more favorable insur-

ance rating; second through a dividend amounting to a considerable part of the premium.

A large number of the leading industrial corporations of the country are *mutually* insured. The outstanding advantages of the mutual plan of insurance which has attracted these large risks are equally available to the smaller employer, and to the individual car owner.

**FREE**—an interesting booklet outlining the principles and operation of mutual insurance will be sent on request. Address the National Association of Mutual Casualty Companies, Room 2100B, 230 N. Michigan Ave., Chicago.

MUTUAL PROTECTION IS AVAILABLE  
FOR THESE CASUALTY RISKS:

Accident • Automobile (all forms)  
Burglary and Theft • Fidelity  
Liability (all forms) • Plate Glass  
Property Damage • Workmen's Compensation

## A DISTINCT FORM OF INSURANCE

Mutual insurance, founded in 1752, is older than any other form of insurance and differs from all others in certain respects. The mutual policyholder benefits by the success of his company through dividends which reduce the net cost of insurance.

The member companies of the National Association of Mutual Casualty Companies have a combined annual premium income in excess of \$75,000,000, and have paid to policyholders in dividends in the past ten years over \$103,000,000.

The soundness and stability of mutual casualty insurance are evidenced by the fact that without exception these companies have been able to return substantial dividends during 1930 and 1931, in addition to maintaining full legal reserves.

### Largest Pump Manufacturer a Mutual Policyholder

Typical of the outstanding industrial firms insured on compensation risks in mutual companies is Goulds Pumps, Inc., of Seneca Falls, New York, the world's largest makers of pumps exclusively.

# MUTUAL CASUALTY INSURANCE

An American  Institution

*These Old Line, Legal Reserve, Mutual Companies are Members of NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES and AMERICAN MUTUAL ALLIANCE*

(American) Lumbermens Mutual Casualty Co., of Illinois,  
New York City  
American Mutual Liability Insurance Co., Boston, Mass.  
Builders Mutual Casualty Co., Madison, Wis.  
Central Mutual Casualty Co., Kansas City, Mo.  
Employers Mutual Casualty Co., Des Moines, Ia.  
Employers Mutual Liability Insurance Co., Wausau, Wis.

Exchange Mutual Indemnity Insurance Co.,  
Buffalo, N. Y.  
Hardware Mutual Casualty Co., Stevens Point, Wis.  
Interboro Mutual Indemnity Insurance Co.,  
New York City  
Jamestown Mutual Insurance Co., Jamestown, N. Y.  
Liberty Mutual Insurance Co., Boston, Mass.

Lumbermens Mutual Casualty Co., Chicago, Ill.  
Merchants Mutual Casualty Co., Buffalo, N. Y.  
Michigan Mutual Liability Co., Detroit, Mich.  
Mutual Casualty Insurance Co., New York City  
Texas Employers Insurance Association, Dallas, Texas  
U. S. Mutual Liability Insurance Co., Quincy, Mass.  
Utica Mutual Insurance Co., Utica, New York

*When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention Nation's Business*



By hand you can write



25

bills an hour

With a typewriter you



can write

35

bills an hour

With a typewriter *plus*  
a SPEED-FEED you



can write

75

bills an hour

**T**he Egry Speed-Feed more than doubles the capacity of a typewriter in making out invoices, bills of lading, orders, receipts, and like forms.

It is truly a practical and perfected typewriter feeding device—eliminates the waste of time incident to inserting and removing carbon paper—does away with the excessive cost of pre-inserted carbons.

With the Speed-Feed carbons are inserted automatically. No fiddling and fooling with loose forms and loose carbons. Every operator is able to produce more work, to spend more minutes actually typing. Makes every typewriter a dual-purpose machine—a typewriter one minute, a billing machine the next.

You'll like the Speed-Feed. Your stenographers will like it. Use it for one week and you'll wonder how you ever got along without it. Placed on an attractive nominal basis with Egry Forms—at virtually the cost of the forms alone. Mail coupon for a demonstration without any obligation on your part.

# EGRY

## Speed-Feed

THE EGRY REGISTER COMPANY  
Dayton, Ohio, U. S. A.

EGRY REGISTER COMPANY LTD. EGRY LIMITED  
Toronto 2, Ontario, Canada London, W 3, England

Sales Agencies in All Principal Cities of the United States.  
Distributors in nearly all countries of the world.

Manufacturers of Egry Register Systems, Register and Continuous Forms, and Billing Machine Feeding Devices.

THE EGRY REGISTER COMPANY  
DAYTON, OHIO

You bet we'd like to write 75 bills an hour on our typewriters. Let's have a demonstration.

Name .....

Address .....

City..... State.....

When writing please mention Nation's Business

structure. At the same time the Department of Agriculture instructs farmers to repay seed loans with postal money orders and not bank checks.

Asked why, the Department answers that such a method is easier because in some communities there are no banks on which checks might be drawn.

Going a step further, how many such communities owe the failure of their bank to weakness resulting from the Postal Savings System's skimming the cream from the savings business upon which private banking establishments must earn their keep?

A SUBSCRIBER pilloried the reasoning back of the August item about the man who "bought a new set of 'Bobby Jones' golf clubs from an army store at half price." To quote him:

"The army store certainly did not sell the clubs at a loss. Therefore, Business Man No. 1 who sold the clubs to the Army store either cut the price unmercifully, or Business Man No. 2, who fixed the retail price, boosted it beyond all reason."

Perhaps so. Business Man No. 2 probably made the foolish mistake of figuring rent, light, heat, overhead, clerk hire, taxes, depreciation and a fair profit into the price at which he offered the clubs.

EDWARD BOYCE, whose Portland Hotel is a Pacific Coast institution, recently stated in terms of his own business the fear that is troubling many business minds, when he said:

"Consider the number of tax-levying bodies in the State, and the army of paid agents that represent the State in the enforcement of its laws. We should ask ourselves: Are we mentally deficient, and not capable of conducting our business without a government emissary ordering our daily lives?"

"Think of this government graft for the benefit of politicians. Eleven separate agencies—not including five federal agencies—have direct supervision over hotels."

Why not follow former Governor Byrd's suggestion of every legislative body's devoting one session solely to the repeal of laws working mischief with our economic and social life?

INQUIRING whether "those who are now guessing at the cost of new governmental activities are as uninformed on costs as the advocates of the Valuation Act of 1913," L. A. Downs, President of the Illinois Central, gently points out that the 1913 piece of "bad guessing has cost the people of the United States

## FREE BOOK TELLS HOW

to Confine Your Expenses to Volume of Goods Moving



**B**RANCH HOUSE overhead has caused many a headache during the depression. Losses in many businesses can be traced to the expensive operation of branch houses—at a cost far out of line with the volume of goods sold.

Public warehouses, as operated by members of the American Warehousemen's Association, can cure your "branch house blues." These warehouses are located in every distribution center of importance—ready to furnish all necessary facilities and services required for the strategic spot-stock distribution of raw materials, manufactured goods, service parts of all kinds.

You pay on a "piece work" basis for the storage and delivery of your merchandise. Costs are based on the number of units of your goods that are handled. You have little or no overhead if business is dull. And if business is brisk, your costs are less than when operating your own branch house!

Write today for our free 32-page book describing the A. W. A. Plan of Distribution.



AMERICAN  
WAREHOUSEMEN'S  
ASSOCIATION

2032 Adams-Franklin Bldg., Chicago, Ill.

When writing please mention Nation's Business



approximately \$185,000,000, a cost which has necessarily been reflected in railroad rates." (Senator LaFollette, sponsoring the bill, promised it would cost only \$5,000,000 and would be completed in 18 months.)

DR. VERA KOEHRING, of the U. S. Bureau of Fisheries, told the National Shell Fisheries Association's convention at Atlantic City that the Bureau's studies had established that "for the sake of humanity the way to open an oyster is to give an anaesthetic made of a solution of dioxide, lactic acid and boric acid." Confiscatory taxes are more endurable when we really see what we are getting for our money.

WE shall think twice before printing in another number a survey of what cities are doing to reduce taxes such as was contained in August's "Bulletins from the Taxation Battlefront." Here is some of the resulting barrage:

Why not mention that our fiscal year closed with a credit balance of \$49,000? —Clarksburg, W. Va.

We think our success in trimming \$250,000 from our budget was worthy of note.—Chamber of Commerce, Ashtabula, O.

For a real, constructive piece of work, I want to call your attention to the \$745,000 savings in El Paso.—Chamber of Commerce, El Paso, Tex.

It might be of interest to your readers to know of the \$186,000 saved our taxpayers last year and the \$112,900 so far this year.—Chamber of Commerce, Evansville, Ind.


OUTSTANDING bureaucratic contribution of the month to the General Welfare:

The extensive research by the Federal Government into the possibilities of using gourds for bird houses, which developed the important information that "the size of the gourd also should be in proportion to the size of the bird, for it is useless to invite a large bird to nest in a small gourd."

The credit for this addition to the world's knowledge does not go to a single individual. The leaflet states that it is "a joint contribution from the Bureau of Biological Survey, Paul G. Redington, Chief; Division of Food Habits Research, W. L. McAtee, Senior Biologist in Charge, and the Bureau of Plant Industry, William A. Taylor, Chief, Office of Horticultural Crops and Diseases, E. C. Auchter, Principal Horticulturist in Charge." Senior Biologist McAtee further divides his credit with Associate Horticulturist Beattie.

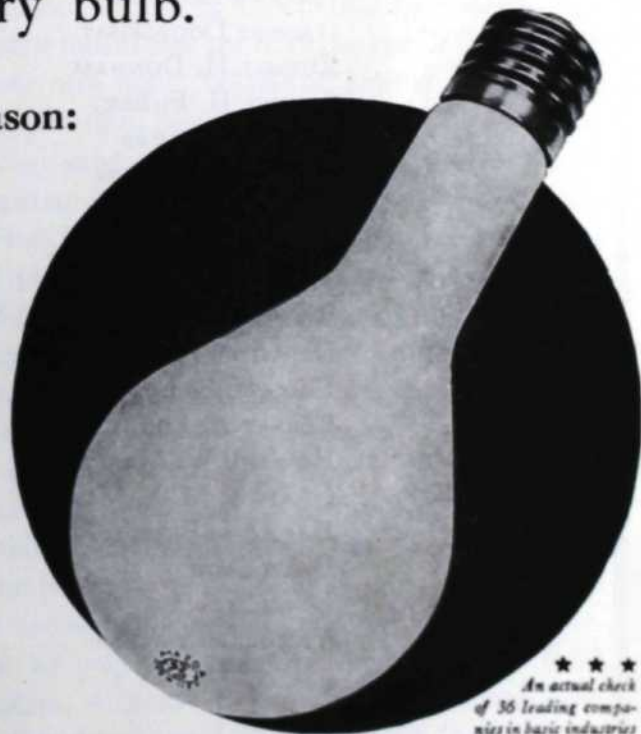
W.T.

# 32 of 36

leading companies in leading industries know that a sure way to get good light at low cost is to use lamps bearing this  mark on the end of every bulb.

Here is *one* reason:

Keen buyers know that the last ten years of General Electric research and development work have resulted in a startling increase in the amount of light which incandescent lamps give, for the electricity consumed. To the consumer, the value of this increase in efficiency in lamps of General Electric manufacture was more than one billion dollars. General Electric Company, Nela Park, Cleveland, O.



\*\*\*  
An actual check  
of 36 leading companies  
in basic industries

## EDISON MAZDA LAMPS

GENERAL  ELECTRIC

General Electric manufactures lamps for all lighting purposes... lamps for home lighting and decoration, automobiles, flashlights, photography, stores, offices and factories, street lighting and signs. Also Sunlight Lamps.

When writing a GENERAL ELECTRIC dealer please mention Nation's Business



# The New York Trust Company

*Capital Funds* . . . . . \$32,500,000

## TRUSTEES

MALCOLM P. ALDRICH	New York
FREDERIC W. ALLEN	Lee, Higginson & Company
ARTHUR M. ANDERSON	J. P. Morgan & Company
MORTIMER N. BUCKNER	Chairman of the Board
JAMES C. COLGATE	James B. Colgate & Company
ALFRED A. COOK	Cook, Nathan & Lehman
WILLIAM F. CUTLER	American Brake Shoe & Fdy. Co.
FRANCIS B. DAVIS, JR.	United States Rubber Company
HARRY P. DAVISON	J. P. Morgan & Company
GEORGE DOUBLEDAY	Ingersoll-Rand Company
RUSSELL H. DUNHAM	Hercules Powder Company
SAMUEL H. FISHER	Litchfield, Conn.
JOHN A. GARVER	Shearman & Sterling
ARTEMUS L. GATES	President
HARVEY D. GIBSON	Manufacturers Trust Company
CHARLES HAYDEN	Hayden, Stone & Company
F. N. HOFFSTOT	Pressed Steel Car Company
WALTER JENNINGS	New York
DARWIN P. KINGSLEY	New York Life Insurance Co.
EDWARD E. LOOMIS	Lehigh Valley Railroad Co.
ROBERT A. LOVETT	Brown Brothers Harriman & Co.
HOWARD W. MAXWELL	New York
GRAYSON M.-P. MURPHY	G. M.-P. Murphy & Company
HARRY T. PETERS	New York
DEAN SAGE	Zabriskie, Sage, Gray & Todd
LOUIS STEWART, SR.	New York
VANDERBILT WEBB	Milbank, Tweed, Hope & Webb

100 BROADWAY

40th Street and Madison Avenue

57th Street and Fifth Avenue





NATION'S BUSINESS



A MAGAZINE FOR BUSINESS MEN



## After the Eclipse—The Light

**T**HOUSANDS went to New England last month to see the sun go into eclipse. A minute of darkness brought columns of newspaper copy, millions of words of discussion. Not a single line, though, of a much more important aspect; namely, that after a minute and a half the sun would shine again in the good old-fashioned way.

So it has been throughout the depression. The brighter spots have missed their due of public notice in the morbid regard for the black spots in the national economy. Suggest to the cynic that "sentiment is better," he will adjust his smoked glasses and opine that such sentiment has no basis in fact, that values are not improved, that business activity still is stagnant. He would have you believe that a "better feeling" should follow and not precede activity. The patient should not feel chipper until he is out of bed and has done a day's work. Which is absurd. No business revival has there ever been until the spirit was born again.

A confident state of mind is a necessary prelude to any durable recovery. The cessation of hoarding, the will to buy and the impulse to build follow in natural sequence. True, it can be said that so long as the basic industries fail to reflect advances, the new cheerfulness now apparent in the business outlook may be the product of only vain imaginings. But this sentiment quickly asserts itself as seen in the stimulus of rising prices for stocks, bonds, and commodities.

Activity begets activity. Little by little, fear is dispelled and confidence resumes its familiar sovereignty. The shadow passes and the opaque cloud of the depression lifts and reveals a lu-

minous promise of better times. At the first of September, sizable orders for fuel oils were booked, pottery, glass, and enamel ware became active, while products from the farm, ranch and plantation, were more in demand. Textile mills responded, hotels were reporting an increase of commercial travelers—a dependable sign that business is once more making commitments for the future.

It is too much to say we are yet out of the twilight. But it is heartening to observe that many businesses are fronting the darkness with their own light. When the United States Steel Corporation, despite the low level of its operations, announced it would spend \$5,000,000 for repairs, it declared its independence of fear. When Remington Rand authorized the purchase of \$4,500,000 worth of raw materials and supplies, and the Sherwin-Williams Paint Company began a million dollar advertising campaign, here was evidence of aggressive, active faith of the kind that shapes bright futures.

Literally, it can be observed in any direction that the purely panic phase of the depression is behind us. The intelligent insurgency of American business men will not accept the depression as permanent disaster. Of those who see America as only a blind Samson living "in total eclipse, without all hope of day" it has been well and truly said by Sir William Orton:

They need to be reminded that America is a far greater nation than the picture of it which they get in the newspapers; that it has latent powers of spiritual achievement equal to its material achievement; that there is more in the American tradition than Americans in recent years have been getting out of it.

*Mere Thorne*





# Paris IS GAY . . .



## AND GRAPES ARE RIPE

**T**HERE is no off-season for France. When Summer is over France enters her autumn activities. There is a rush for Paris. Everybody goes there. The shops are filled with new fashions fresh from the mid-season openings. The theaters and concert halls come to life. There's racing at Chantilly. There's the automobile show. . . . Paris is gay in Autumn.

And in the picturesque countryside, there are scores of delightful trips to take, cathedrals to visit,

chateaux to admire. The peasants are busy with their harvests. Grapes are ripe in the rolling vineyards at Beaune and Bordeaux. Quaint festivals are held as the year's vintage is pressed and bottled. There's golf and swimming at Biarritz. . . . France is active all the year round.

So if you wish to enjoy this autumn gayety and activity of France, let an authorized travel agent book you on the French Line. That will start your experience 3000 miles earlier. You'll have a luxurious crossing on

France-Afloat . . . a gracious introduction to romantic France.

This is an ideal Fall for travel. French Line rates are greatly reduced . . . but there is no reduction in service and comfort. French Line cooking is still without its equal. English-speaking stewards will extend most courteous attention. Tourist Class is sumptuously enlarged on all express liners. . . . French Line, 19 State Street, N. Y.

# French Line

ILE DE FRANCE, October 22 • PARIS, October 8, November 4 and 25 • CHAMPLAIN, October 29, November 19 • DE GRASSE, October 27, December 7, January 11 • ROCHAMBEAU, October 15, November 19





# NATION'S BUSINESS

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MERLE THORPE, Editor

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## As the Business World Wags

THUS WE MAY SEE, QUOTH HE,  
HOW THE WORLD WAGS—*As You Like It.*

### Convalescence Slow But Sure



picked up" as fast as they'd expected.

The things that make for hope were still there, the solidier bond market, increasingly better commodity prices, even a rising stock market, but business itself, making and selling goods still was torpid.

A natural thing. It takes a long time for returning confidence to manifest itself in reemployment, for reemployment to manifest itself in new buying and for new buying to produce new manufacture and so to reverse the vicious cycle through which we have been traveling. But the process seems to be under way.

### Business Is Looking Up



they've stopped cutting down. On the other hand accounts which have long been dormant, so long, in fact, that we've almost thought of them as dead, are showing signs of life. On several occasions in the last few weeks we've had telephone calls or letters from clients who'd practically stopped advertising saying in effect: 'Can't you send a man out to see us. We've an idea for some advertising we'd like to talk over.' And that is the most hopeful sign on our horizon."

A day later a building contractor came into the office and said about his business:

"It was dead as a doornail except for government work and an occasional odd job. Now I think the doornail metaphor is too strong. If you can suggest something not very alive but more alive than a doornail I'd compare it with that. We aren't getting much more actual business but we are getting inquiries. Industrial plants are considering replacement, repair, and even new construction work. They're asking what we could do for them—if. Every indication of increasing commodity prices starts them wondering if building costs aren't going to be higher and if it wouldn't be wise to start something soon.

THE watchers at the bedside of business who in August were beaming and telling the patient how soon he'd be up and about were less cheerful in September. Somehow "things hadn't

"You look around and see office buildings only part full, factories shut down, houses under foreclosure and you think there can't be any more building for a long time but don't forget that we had pretty nearly a building holiday for two or three years and that means that there's work to be done."

Inquiries are at least a promise of better times. The storekeeper knows that the man who just "came in to look around" may not put a cent in the cash register but he's welcome just the same. It's when folks walk right by the show window without turning their heads that he's really discouraged.

### Importance of the Individual



A CORRESPONDENT took us to task for "constantly harping on such outworn copybook rot as individual initiative, freedom of private enterprise, and self-reliance."

While casting about for a tangible example with which to illustrate the reply, we noticed one of Walter Duranty's Moscow dispatches to the *New York Times*. Under the headline, "Reaped Area in Soviet 25 percent less than in 1931," he said:

"Another disquieting factor is . . . that the peasants are not bothering to harvest more grain than for their own needs. . . ."

### Public Opinion Changes Slowly



SAID a veteran legislator at the National Capital:

"If we were to list in order of power the strongest lobbies in Washington, I'd put these three at the top of the

list and in about this order:

"The federal employee lobby

"The veteran's lobby

"The labor lobby

"A short time ago I should have put the prohibition lobby at or near the top but the public mind has changed and news of that change has reached the legislators. They've discovered somewhat slowly that the 'folks back home' are thinking differently.

"The veteran's lobby may—I'm not sure it will—lose its force in the same way. Public opinion accumulates very slowly. If there are 3,000 veterans in a congressman's district and they're vocal they're going to have more effect than 30,000 men who question indiscriminate payments to war veterans but who don't just know how to say so. They may



be heard from yet if the pinch of taxes grows any worse.

"The same way with the federal employee. He's likely to be a worker in politics and he knows how to get his case before Congress. The postmaster and the rural free delivery man are potent in the keeping of a Congressman in office.

"But some day the mass of the taxpayers may make it plain that the cost of government has got not merely to come down but to stay down. When that happens, Congress will know it even if it does take time."

### Britain Would Save Its Railroads



(as the railroads receive) be extended to all other agencies with which they must compete."

Mild indeed compared with that proposed by a British committee headed by Sir Arthur Salter and composed of railroad leaders and road transport men. The Salter committee proposes that the whole cost of constructing and maintaining roads figured at more than \$220,000,000 a year should be borne for five years by users of motor vehicles, the hauler of commercial goods to pay about \$90,000,000 and the private cars, buses, taxis, etc., to contribute the other \$130,000,000. The hauler of heavy goods under the Salter plan would be hardest hit. A ten-ton solid-tired truck would pay more than \$1,000 a year instead of about \$220 as now and if it used a fuel other than the heavily taxed gasoline would pay about \$1,350.

Truck operators and owners of private cars are protesting at the Salter report which seems drastic to us until we run across the measure proposed by the Argentine Government which is thus described by the *Manchester Guardian*:

Road services will be run in future only by permission of the government and after proof that they do not compete with the railways. Road haulers must pay their men on the same basis as railwaymen; they will pay a vehicle tax and the money so raised will be spent on building roads not parallel to the railways but converging on railroad stations or ports.

### Whose Taxes Are Too High?



New York Central, said something the other day about the railroads as the victims. He cited the Central's case. In the 17½ years from January 1, 1915, to July 1, 1932, the Central paid a little more than half a billion in taxes. In the same period it paid \$365,000,000 in dividends. In 1915, taxes were \$12,600,000 and dividends \$15,800,000. In 1931, taxes were \$32,000,000 and dividends \$20,000,000. In 1932, its taxes will drop somewhat because taxable income has disappeared; dividends have gone to nil.

Certainly a business which pays more to governments than to its owners over a period of years can figure that it is being hard hit.

### A Step Forward In Tariff-Making



Canada, Australia and New Zealand agreed that their tariffs should be based on the principle that protective duties should not exceed such a level as would give United Kingdom producers full opportunity of

THE railroads reiterated recently their demand for federal regulation of trucks and buses engaged in interstate commerce. They ask that "the same kind and measure of regulation

reasonable competition on the basis of the relative costs of economical and efficient production with special consideration for industries not fully established. Tariff protection should be accorded only to industries reasonably assured of sound opportunities for success.

Further, a tariff board should review duties, with British producers entitled to appear. No duty would be increased on British products except in accordance with tariff board reports. While the exact provisions are not identical in all three cases, there is recognition of the cost of production theory as a basic starting point for tariffs.

This decision of the Empire Conference runs quite counter to some of the comments which customs experts and economic theorists have been making in other European centers. Some of the adverse comment on the cost of production theory may have had its origin in a dislike for the American tariff recognition of this theory. In his book entitled "Recovery—A Second Attempt," Sir Arthur Salter, of the League of Nations, would have us believe that the economic conference in 1927 totally disproved this theory.

As a matter of fact, equalization of the difference between domestic and foreign costs of production has been a basic principle in American tariff policy, with adjustments made to conform to that policy either by Congress or under the flexible provisions by the Tariff Commission and the President.

The decisions of the Empire Conference constitute a victory for a point of view which the Chamber of Commerce of the United States has supported for many years—that tariffs should be aimed to grant reasonable protection for industries subject to destructive competition from abroad and of benefit to any considerable section of the country. Further, the Chamber has consistently supported the principle that there should be some agency, such as our own Tariff Commission, to review duties and make recommendations as to changes.

The dividing line between the Empire policy and the American policy is now so slight as to give hope and assurance that some day nations of the world can agree upon certain fundamental policies to guide legislators and tariff agencies in determining levels of rates.

### The Powers of Trade Associations



ABOUT October 1 the District Court of the United States for the Western District of Virginia will hand down a decision as to the legality of the joint selling agency plan that has been set up by 137 producers of soft coal.

The Government has asked the court to hold this Appalachian Coals, Inc., an agency in restraint of trade. And the first decision will be of great interest to those lines of American industry which are chafing under the restraint of the Sherman and Clayton acts.

This sentence from the Government's brief is worth quoting as a statement from the Department of Justice summing up its position respecting trade associations:

The ordinary activities of trade associations, such as the exchange of statistics, cash prices, costs, credit information, etc., and the promotion of advertising and research, do not conflict with the free operation of economic laws but rather make their operation more effective.

Less important but interesting to the layman is the assertion of the brief, supported by cases, that "a combination is not 'excused because it was induced by good motives or produced good results.'"

A and B who agree to clean up their business and sell



better goods at lower prices are as guilty as C and D who combine to raise prices and gouge the consumer.

### Marching on to Socialism



competes with the business of the citizen. To complain is to be told that "this is not Socialism, it is merely group action through government to accomplish what the individual cannot do."

The University of Texas is not a venture into Socialism. It is merely an expression of the desire of that great commonwealth to provide higher education in part at least at public expense. Yet if the state should take a hand in the higher education of its youth, why should it not take a hand in bringing those youth into the world? It should in the opinion of Professor H. J. Muller of the University of Texas. He told the Third International Congress of Eugenics:

We can't, it seems, have the right kind of children so long as we have the capitalistic system and the private profit motive. Here's what ought to be, in the words of the learned Texan:

Subsidies for children have been proposed by some eugenists as a remedy for this situation, but measures that would be really adequate are inconsistent with the professed principles and the actuating motives of the private-profit system, with its individualistic ideology. What is needed is not individual subsidies or charities but a society consciously organized for the common good as to assure every one economic plenty, a society meeting fully its obligations both toward the younger generation and toward the older generation who bear and rear the younger. All this presupposes public ownership of the means of production. Only then can there be a eugenics worthy of the name.

When we have disposed of the capitalist system, when the motive of private profit no longer obtains, then and not till then will the state tell A to have four children and how to bring them up or B to have no children.

Let's hope this millennium doesn't come too soon.

### Criticism on Two Sides



finds itself in these days of stress. It was an answer to the thoughtless criticism of the banks that has gone around the country, criticism on the one hand that the banks were too lenient in lending, thus imperilling the depositor's money; on the other hand that the banks were hoarding, thus imperilling the recovery of business.

It was a message that every bank depositor ought to read. One bank, the Omaha National, thought so and has passed it on in reprint to its depositors. Missionary work like Mr. Fleming's is needed by the banks.

### Effect of the Stock Market



on June 30 of this year, 3,191,531 stockholders, whereas 18 months earlier, December 31, 1929, they had but 1,936,373, a gain of nearly 70 per cent.

American Telephone and Telegraph leads the list in numbers with 712,000 stockholders as against 469,000 a year and a half ago. There aren't 10 cities in the United States that

THE Latins taught us that the descent to the lower regions was easy. So, too, is the descent or ascent into Socialism. Constantly government does more and more, it invades the private life and

more, it invades the private life and

had 700,000 population at the last census. Cities Service with 539,000 stockholders was second.

How much effect will the recent rise in stocks have in increasing the confidence and in reviving the hopes of these millions? And how much will that new confidence radiate to their friends and associates?

### Bankruptcy In Pyrotechnics



economic as well as its political independence can publicly serve both thrift and patriotism at bargain prices. And lives there a man with purse so flat who never to himself will say on the Glorious Fourth, "Shoot the works!"

There is something star-spanglish about the very lingo of the fireworks business. Mark these lurid items in the inventory: "Festoon, Willow, and Chain Rockets", "Red, White, Yellow, and Green Lances", "Spark Stuff", "Ten Ball Flutter Candles", "Devil Wheels", "Comets", "Battle Lights", "Balloon Trails"—and so on, the complete chapter and verse of the pyrotechnics craft.

For old times' sake, if for no other, the classical taste may see fit to make a bid for "One Fall of Troy" and "One Last Days of Pompeii." And even depression states of mind, a bit jittery from long exposure to disturbing rumors, are likely to see only commercial expediency rather than searing malice in the combination known to the trade as "Assorted Pains."

### Back to Barter?



"Real estate operators needing hardware supplies will consider proposition from wholesale supply house in exchange for an apartment."

Are we deserting credit for cash and shall we go on still further to barter?

### Tariffs Take a Back Place



TRADE between countries has fallen upon evil days. Measured by value the exports of the chief commercial countries of the world dropped 60.4 per cent between January, 1929 and January, 1932. The value of their combined imports went down 63 per cent. The sharp fall of commodity prices did much to bring about this result but the actual physical volume of exports and imports slipped to new and distressing low figures.

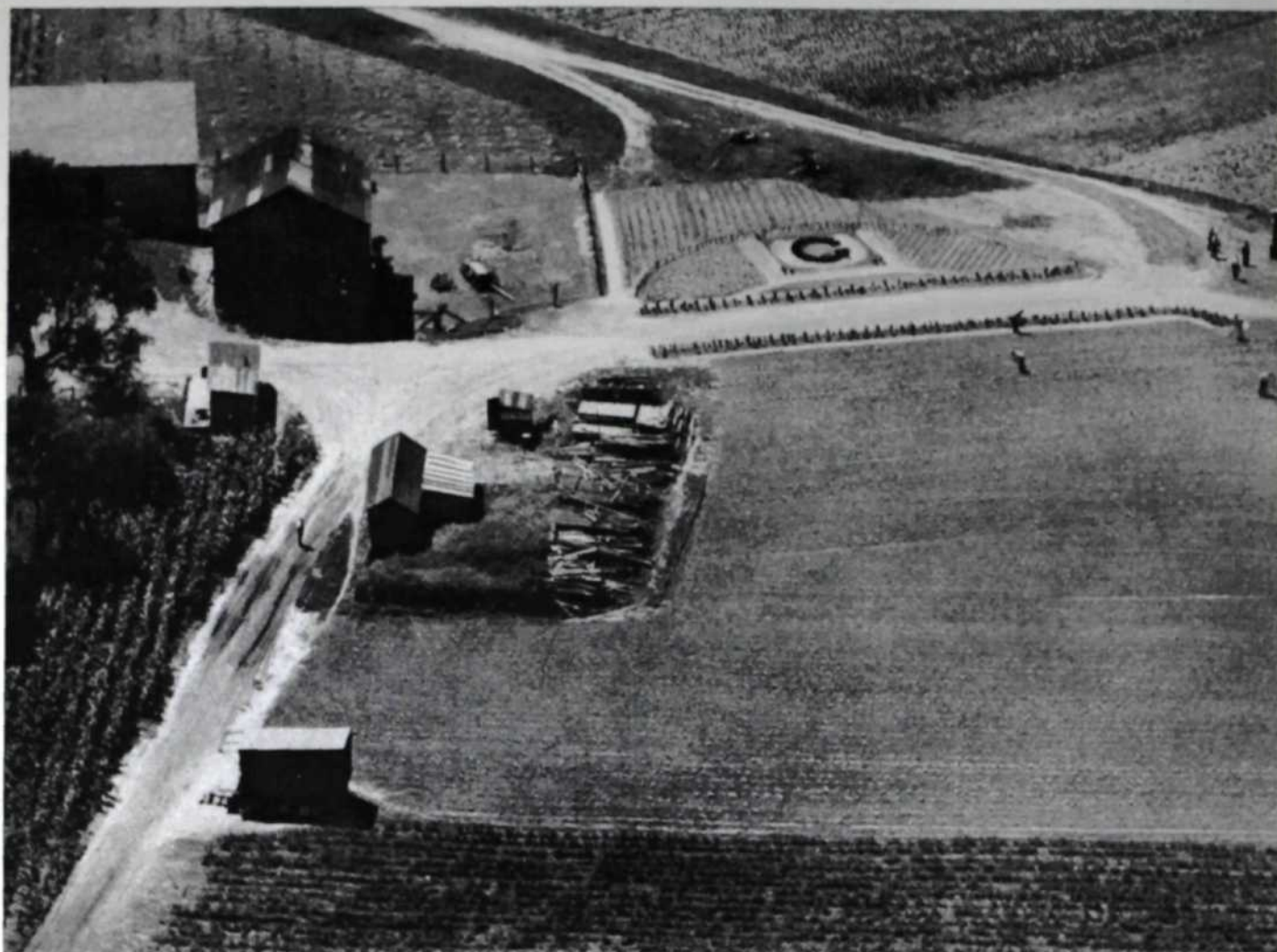
Were tariffs to blame? Partly no doubt but more disturbing at the present are such devices as import quotas, licenses and controls of foreign exchanges. Take the case of wheat. It is only to a small degree that the movement of grain into importing countries is today regulated by means of tariffs. The real mechanism of control takes such forms as milling regulations, under which the flour millers are obliged by law to use certain percentages of home grown grain. When these percentages are raised high enough the system operates as a veritable embargo.

The world is soon to engage on an economic conference at which this country will be represented. That tariffs will be discussed is certain but more important as a means of bettering foreign trade will be some agreement on these summary methods of restricting international exchange of goods.

An international conference which could better these conditions would be worthwhile.



# Can Our Unemployed Find



It is significant in considering the back-to-the-land movement that some companies are providing garden

**A** MAN of standing came to see me recently, all worked up over an idea which he thought would save the country.

He proposed to sponsor a huge project with the purpose of establishing thousands of jobless city people on farms.

"Won't it cost a lot of money?" I asked.

"Yes, but—"

"Why not put them to work in their local factories?—they won't have so far to go."

"But most factories are only running part time, aren't they?"

"As a matter of fact, they are. One day's work in three, about."

I then asked why he didn't send them to the automobile factories.

"But, Mr. Legge," he said, "the automobile factories can already make more automobiles than they sell; and they are only working part time, too."

"My friend," I replied, "that's exactly the point. Why do you single out the farmers to dump all these people onto?

Don't you know that farming is a business, and that farmers are in exactly the same situation as the automobile makers? Don't you know that the agricultural crisis is caused by too many farmers producing too much and earning no profit? Yet you want to put thousands of persons back on the farms to compete with those already there."

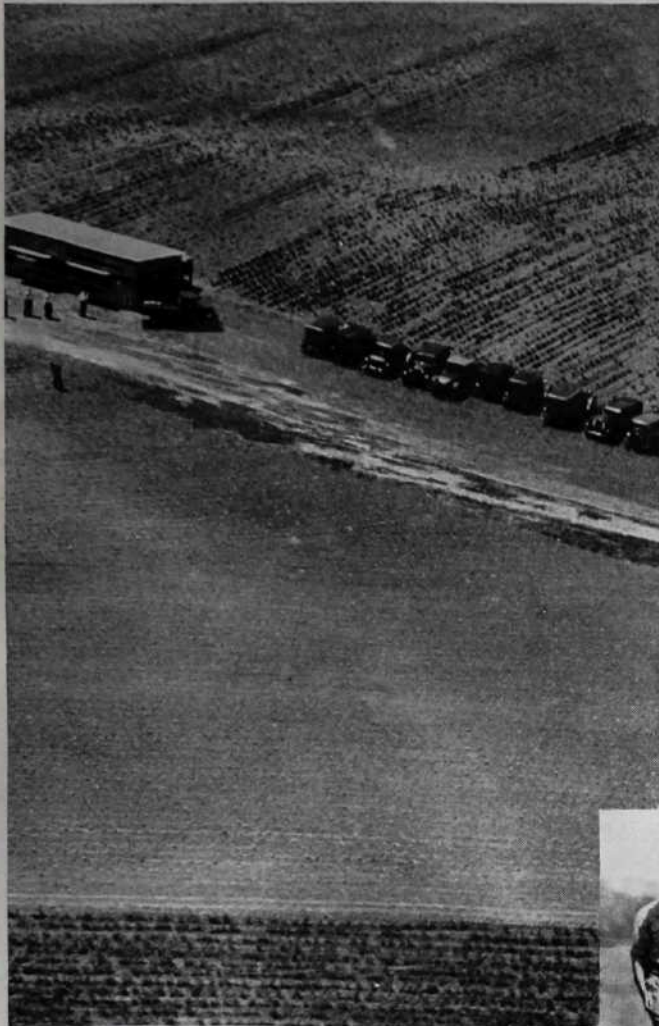
## A movement toward the farms

PROJECTS such as this gentleman proposed have been floating around freely of late. College professors have urged them. In some places earnest and powerful organizations are eager to spend millions of dollars (of government money!) to create thousands of brand-new farms. Amid all the talk, a considerable trek to the soil is actually in progress. It is not exactly a gold rush, but it bears some of the same earmarks. Get something for nothing—or dirt cheap—is the idea. It reminds one, though with a difference, of the frontier urge, the free land hunger that pushed our boundaries from the Atlantic to the Pacific.

I suppose nobody could safely hazard a guess as to the



# Refuge Down on the Farm?



space for employees who want it

numbers of motor tourists who were chugging around the country this summer hoping to find a piece of land—free land, if possible, but some spot, at any rate, where they could get a foot on the earth and raise something.

In the Mississippi Delta country recently, I learned that the population on the plantations has increased some 20 per cent in the last year and a half. Negroes who left when the cities offered high wages and work for everybody had been creeping back. Some came afoot, others in battered old flivvers. All were destitute. They gave no notice of their coming, and asked nobody's permission to reoccupy the shacks which had once been their homes, perhaps, but had stood untenanted and unrepaired for half a dozen years. The owner of the land would discover one day that they were there, virtually camping out. One owner, with the air of a man who has been given the short end of the stick so often that he is used to it, said to me:

"What can we do? They're our people, in a way. We can't turn 'em out. But we haven't any work, and couldn't pay

By Alexander Legge

President, International Harvester Company

As told to Neil M. Clark



**THERE** has been much talk of solving our unemployment problem by placing our idle men on idle farms. It's a fine thing to dream about, admits Mr. Legge, but hard facts stand in the way of making unemployed factory workers into full-time farmers



COURTESY THE B. F. GOODRICH RUBBER CO., AKRON, O.

**Goodrich men reaped good returns from their 275-acre garden**

wages if we did have work. At the present price of cotton, we have enough hands if we don't have any. But we won't allow them to starve. Our women folks dig up sowbelly and meal for 'em, and they keep alive somehow.

"You took them away from us," he added, "in 1925 and '26 when we needed them so badly that, to keep a few of them, we put up the price of picking cotton from 50 cents to \$3.00 a hundred weight. Now, when they are a burden, you send them back. . . ."

What is to be hoped for, and what feared, from the back-to-the-land movement?

Love of the land will never be bred out of the race. It is one of the things that keep human animals healthy. Some



of our present commercial ills are assuredly due to over-centralization, overpacking of the population in big industrial centers, where too many people never get to dig in the earth with a shovel or scratch it with a hoe. Nearly every cooped-up man at some time dreams of possessing a patch of ground where he can wear old pants and do as he pleases; raise a garden, probably, keep some chickens, and possibly own a cow. This is a fine thing to dream about, and a fine thing to do. I believe that the more people who turn this dream into reality, the better off this country will be, as to the character and contentment of its citizens.

### The best land has been taken

THAT, however, is only one thing. An entirely different thing is this new notion that we could solve the unemployment problem by creating new farms, if necessary, or parceling out the idle land, and converting the city's unemployed into full-time farmers. Poor old agriculture has taken some fierce jolts in recent years; but this, if it happened, would surely be the knockout. Nor would agriculture suffer alone. Let us not forget that without a healthy agriculture we cannot have a permanently healthy industry.

The back-to-the-land impulse has been nourished partly on the notion that there are vast areas in the United States where rich farm land can be acquired for nothing, or for very little. Is that true? What are the facts?

The first set of facts to consider has to do with the public

domain. There are 964,000,000 acres of farm land in the United States. That is, land actually made up into farms and, therefore, no longer a part of the public domain. The fact which has broken upon many as a great light is that there are still 523,000,000 acres of unappropriated and unreserved lands in 16 western states, and thousands of similar acres in several states east of the Mississippi. Upon much of this land any citizen who complies with the statutes may file a homestead claim, pay a trifling entry fee, and receive his quarter section or more, scot-free.

This might be a cheering thought if it were not for the fact that settlement began in this country in 1607 and has progressed more or less steadily ever since. Restless feet have tramped the continent from end to end. Hungry eyes have fastened upon every square rod of earth fit and desirable for settlement and agriculture. Those who came first took the best land. Those who came later took what they could get.

The residue, which constitutes the public domain of 1932, is what nobody in the past 300 years would have as a gift. Much of it stands on edge. Some of it is desert. Some is swampy, overflowed half the year. Some is covered with sand, lava, or sagebrush. The best parts of it are suitable for grazing during some few months. Parts of it produce a little timber. I would not say that there is not one tillable acre in the entire 523,000,000. There may be. But the General Land Office declares that "the remaining public lands, not mineral in character, are chiefly valuable for grazing, though some tillable land may be found."

Free land, yes. Uncle Sam will still give anyone who fulfills the requirements a homestead. If we will only farm the Painted Desert, or the face of a mountain, or the bottom of a swamp, the Government will give us the opportunity; first requiring us to swear, however, that we are well acquainted with the character of the land for which we apply.

It is one of the crosses which agriculture has to bear at present, that thousands of people are miserably trying to eke out a living on homesteaded lands which are not fit for anything, really, except the thinnest grazing, or jackrabbit races. Thin-land homesteaders belong to the marginal producing classes that lower the level for all agriculture, and help to make times hard even for low-cost, high-efficiency producers. Some



You can get all the arid land you want as a present, so long as there is no water and no way of getting it. But by the time they carry water to your crop, that land costs you a heap of money



day, conceivably, under other conditions—if, for example, world population should increase tremendously—we might find the urge very strong to bring parts of our remaining public domain under cultivation; and we might find a way to do it satisfactorily. But now is not the time.

If the prospect is poor for bagging an easy catch on the public domain, what about all those farms lost when mortgages were foreclosed or taxes were unpaid, or which discouraged owners have abandoned? Isn't there real hope here for the back-to-the-landers?

Well, is there? If so much as one square rod of this land that is really worth anything is being given away on a silver platter, I have failed to hear of it.

It is true that farm land is comparatively cheap just now. Prewar prices pretty generally prevail.

Abandoned farms can perhaps be got in a trade for a pocket knife or "what have you?" But an abandoned farm is seldom cheap, for farming purposes, even if the owner pays you to take it. Some men waste their entire lives on land that ought to be abandoned, and die discouraged because they never had the nerve to pull up stakes.

Tax land is no bargain, generally speaking, because of technicalities and red tape. If you buy, the redemption feature may cloud the title for a long time. Furthermore, it is usually only poor land on which taxes are allowed to slide.

### Farm lands don't come cheap

AS FOR the really good land that farmers have lost through mortgage foreclosures, the greater part belongs to the big loan companies, or the federal land banks, or insurance companies. Although they are unwilling owners and are eager to sell, they have not lost their heads. There is no dumping of holdings in such a way as to break the market. A "land rush" from the cities in this direction wouldn't pay carfare. Furthermore, the present owners do not want people on their land, even as tenants, who do not understand farming. Their only hope of realizing anything on the investment, until a buyer is found, is to find tenants who can make crops—and money.

The prospect of getting good farm land for nothing may, therefore, be dismissed as a delusion. I am glad to be able to point out, however, that some fine farms—thousands of acres of the best soil—are falling into the hands of a class

of back-to-the-landers who constitute a desirable addition to the rural population. These, for the most part, are young men who were raised on farms and wanted to become farmers, but came of age in the postwar era when land prices had risen clear out of sight. They had too much sense and too little cash to pay the prices then prevailing. They went to the city and worked for high wages, saved their money, and now are coming back, intent on securing land on terms somewhere near as favorable as those enjoyed by their fathers and grandfathers.

These young men are bargaining and buying cautiously, are seeking and receiving favorable and flexible terms, based entirely on what the land earns. The typical deal is a long-term contract with an option of purchase at an agreed present value, which is necessarily low. Under this contract the prospective purchaser pays the seller an agreed proportion of the year's proceeds from the land—usually about one-half. Whatever is left out of this proportion after paying taxes and interest on the valuation figure is credited to the purchaser.

At any time during the life of the contract the purchaser can get title to the land by putting up say ten per cent of the agreed price. The remainder is carried by the seller on a mortgage which usually provides for amortization covering an extended period.

Farm-bred and farm-minded boys who are making the 1932 trek back to the land have little to fear for themselves. Their neighbors have little to fear from them. They understand farming. Nobody knows how many of them there are, but the federal land banks, which write one-eighth of all the farm mortgages in this country, have disposed of about 8,000 foreclosed farms in three years; the majority going into competent hands, with a good sprinkling of buyers from the city. All told, there must be a goodly number of this type of back-to-the-lander, but not an overwhelming rush.

Now let's examine the other aspect of the movement, which proposes to place city-bred, city-minded people on the farms. In my judgment, any such attempt is bound to result in bitter disappointments for the participants, and is equally certain to add to the troubles of regular farmers.

For these are *city* people. They know nothing whatever of farming. Presumably they have no aptitude for it. These newcomers would inevitably sink to the bottom in competi-

*(Continued on page 44)*



What too few city people comprehend is that farming is a complex business. It calls for specialized knowledge along a number of lines, including biology and chemistry, and for mechanical skill



# A Squawk from the Petroleum Goose

By J. HOWARD PEW

President, The Sun Oil Company



**THIS is frankly a prejudiced article. Mr. Pew insists that the oil industry is bearing more than its share of the tax burden. Is he right? Can any other industry show that it is harder hit? NATION'S BUSINESS would be glad to have Mr. Pew's challenge answered**

IN THE old Greek mythology we find man placating the gods by unloading his sins on somebody else and then, in the sacrifice of that substitute, obtaining his own expiation. It is a comfortable system for all save the victim. As one of the victims, I am accepting the editor's invitation to explain how it feels in the case with which I have been particularly familiar—that of the oil industry.

Each time I have been brought in close contact with the activities of other industries I have been left with a strengthened conviction that the oil business is the most efficiently operated of American industries. Possibly that accounts for the fact that there are so many critics of the oil business, who are so unanimous in making it the whipping boy to receive the taxation punishment in the present exigent conditions of public finance—Federal, state and local. There is scarcely an industry which is not benefited directly or indirectly by the building and operation of motor vehicles and the roads which they use. There is no sound reason why the oil industry, which is only one of the many to be so benefited, should be singled out to carry the lion's share of the highway taxation burden.

It was Representative Rainey, I think, who in a burst of candor quoted the statement that "the science of taxation is the science of getting the most feathers with the least squawking of the goose." Convinced that the oil industry has thus far yielded altogether too good-naturedly to the plucking operation, I am rising to enter my squawk.

No other industry pays more than a fraction of the taxes under which this one labors. State gasoline taxes in 1931 were \$536,000,000. Add property, corporate, production, income, license and other levies, and we have a total of

\$709,000,000. Now, add to this the new Federal taxes which will produce \$160,000,000 on gasoline, \$33,000,000 on lubricants and \$7,000,000 on pipe line transportation, and we have a grand total of \$909,000,000 for the current fiscal year. And that is highly conservative.

The enormity of such a total will be emphasized when it is considered that customs receipts for 1931 were only \$378,000,000; internal revenue taxes on tobacco, \$444,000,000; and railroad taxes according to the Interstate Commerce Commission, \$353,000,000. In the peak prosperity year 1928 Federal income taxes were only \$1,184,000,000.

Now, keep that figure, \$909,000,000, in mind. It is the oil industry's tax bill for this fiscal year. Here is the World Almanac, 1932. Turn with me to page 478, "Political and Financial Statistics of the States." The state budgets are there tabulated: yearly costs of all the state governments. As everybody knows, these costs mounted tremendously during the boom years.

## Taxes equal 40 state budgets

LATELY, legislatures everywhere have been trying desperately, under pressure of exasperated public opinion, to reduce them. Everywhere the cry goes up that there can be no return of prosperity until the tax burden is drastically cut. So let's add up these figures and see how they compare with oil industry taxes. If we omit a little group of states—Washington, Wisconsin, California, Missouri, Ohio, Illinois, Pennsylvania and New York—we get a total of \$911,000,000 for the state budgets of the remaining forty states. The oil industry's taxes of \$909,000,000 this year will just about equal the state government costs of forty states! Shocks you a bit? Well,

it shocks us of the oil industry quite as much.

I know it doesn't seem quite believable; but the statistics are all public property and you can figure it out for yourself. Fortunately for taxpayers, Congress and the legislatures have been trying hard to prune taxes—for nearly everybody except the oil industry. This industry faces a constant multiplication of public charges.

Starting in Oregon in 1919 at 1 cent a gallon, the gasoline tax has spread to every state. Today, three states fix it at two cents; 12 at three cents; 17 at four cents; and nine at five cents; one at five and a half cents; four at six cents, and two at seven cents. The average for the country in 1931 was 3.3 cents. Add one cent federal tax; allow for the near-certainty that a number of states will raise their rates the coming winter; add further the county and city taxes, distributors' licenses, etc., and we are in sight of a five cent tax per gallon for the whole country. As much as the manufacturer's cost at the refinery!

A glance at this relationship between the original cost of gasoline and the taxes charged against it will be illuminating. Take a modern refinery in Oklahoma, buying its crude oil and selling its refined products at the plant. Many such refineries are located there. They have sold their gasoline this year at an average price of four cents per gallon. Here we have a state tax of four cents and a Federal tax of one cent, total taxes five cents—a perfect example of a Simon-pure manufacturer's sales tax on gasoline of 125 per cent. Such a refinery, doing a gross business on all products of \$1,000,000 per month, would bear taxes on its gasoline amounting to \$1,150,000. It would pay fifteen per cent more each month in taxes than would be retained as the selling price of all its products.

Such taxes, applied to any industry you can name, would be denounced as confiscation and would spell ruin. Applied to the oil industry, they have resulted in wholesale tax dodging, "boot-legging" of gasoline, corruption of



officials, wreck of the price structure, demoralization of the business. They have put a premium on fraud and a penalty on honesty. If persisted in, they must eventually bring one of America's largest industries under control of gangsters and racketeers. These will not only evade the tax but will create an economic evil whose consequences are difficult to predict.

### General tax voted down

THERE was a time when this discrimination against the oil industry could be explained on the ground that the industry had taken its punishment lying down, instead of fighting back, but the recent Federal tax on gasoline and lubricants, in the face of bitter protest, looked like the result of deliberate conspiracy to make petroleum carry the load in order that others might escape.

Let me recall some of the circumstances. The House Ways and Means Committee reported a sales tax bill to balance the budget. A strong sentiment has developed for such a measure as the fairest and surest means to raise needed revenue. Canada's experience was all in favor of this program, and the experts of the Treasury supported it. Personally, I believe the plan ought to have been adopted and I pay my compliments to the Ways and Means Committee which reported and made a splendid fight for it. The measure which

the Committee brought out, with the sales tax as its basis, would have met the emergency with equity to all. It would have spread the tax burden over so wide a base that no particular interest would have been hard hit or indeed would seriously have felt it.

But a conspiracy of opposition determined that nothing so broad and so fair should be permitted; in order that the majority might escape from any tax at all, this whipped-up and demagogic opposition to a general sales tax organized a revolt in the House and substituted onerous taxes on a limited list of articles. Thus the many were able to escape and the burden, multiplied many times, was shouldered off on the few.

### Federal gasoline tax added

IT was perfectly plain that the bill which the House finally passed as the result of this conspiracy of selfishness would not bring in nearly as much revenue as was needed; but that meant nothing to the big self-seeking lobby infesting the Capitol.

The lobby, along with the House members under its influence, was determined that there should be no general sales tax; and so the bill passed the House inadequate for revenue purposes and went to the Senate practically carrying the message that the House would not have a sales tax.

There were plenty of assurances that a gasoline tax would not be resorted to. The oil industry protested against piling a huge Federal burden on top of the already excessive state taxes. It was urged that the states had discovered and developed this revenue source; that they had given a certain justification to its excesses because they used it for road building; and that Federal invasion of this field would be unjust to both the industry and states. But all protests went for nothing. The House had made clear that it would not have a general sales levy; without it new objects of excise must be found. Taxes on gasoline and lubricants would fill the gap. "Soak the oil boys good and plenty," demanded the lobby of special interests; "if they pay a big tax we won't have to pay any." And in the last hours that was what happened. The consolidated interests of selfishness compelled the imposition of \$200,000,000 Federal taxes on the oil industry on top of state taxes already amounting to \$709,000,000. Is it any wonder that the industry feels that it has been unmercifully plucked?

Because of the rapidly growing demand for its products, the oil industry has had to find constant supplies of new capital. Its estimated investment rose from \$6,500,000,000 in 1921 to \$10,000,000,000 in 1930. The money was somehow found, despite that average—  
(Continued on page 57)



HORYDCZAK

Every time this average motorist stops at a gas station he pays a tax ranging from two to seven cents on every gallon. Quite likely his gas tax is more than his income tax although he does not complain nearly so loudly about it



# No Business Can Escape Change

★ **ILLUSTRATIVE** of the importance to business of new ideas and new products is the growing air-conditioning industry. Unknown a few short years ago, this industry now includes more than 100 manufacturers and numberless workmen, engineers, dealers and salesmen

FABRIC or paper treated with a new water-repellent lacquer is unchanged in appearance, retains its porosity, can be dipped into water and not be wet. . . .

CONTENTS can't sift from nor insects enter a new moisture-, air-, and grease-resistant carton, made of specially processed paperboard. "Welding" of the edges, by a device attachable to any carton-sealing machine, does the trick. . . .

CELLOPHANE bags may now be had for wrapping food in refrigerators. They are made in assorted sizes, are moisture-, grease-, and odor-proof. . . .

IN A new wall covering a treated felt sheet acts as a carrier for an embossed lacquered surface which simulates glazed tile. It's said to be nonfading, resistant to washing. . . .

IN A new back for rugs the woven fabric is imbedded in pure latex. Such rugs are said to lie firmly on the floor, to require no nonskid linings. . . .

COPPER cooking utensils are now made with chromium plated interiors. Copper's conductivity is thus linked with chromium's wear-resistant, non-tarnishing qualities. . . .

ECONOMICAL use of water is insured by a new faucet which opens at a downward push, delivers a predetermined flow, then automatically closes. . . .

A SIMPLE sprinkling and alarm system for home fire protection uses copper tubing and a new type of sprinkler head. It is designed for installation in basements. . . .

A NEW automatic instantaneous water heater uses piped or bottled gas, heats by hot air, eliminates condensation, is said to be 85 per cent efficient. Another automatic heater uses coal, has a magazine which holds a day's supply. . . .

A NEW built-in bathroom scale has only two visible parts—a platform flush with the floor, a dial in the wall. . . .

REFRIGERANT gas leaks are located by a new alcohol blowtorch which gets its air through a rubber detecting tube. Leaking gas makes the torch flame turn green. . . .

A NEW process for quick-freezing foods, introduced from Europe, uses all three methods of heat transfer, makes maintenance of extremely low temperatures unnecessary. . . .

AN electric cable is going to market in a new jacket, said to have all rubber's advantages and to far surpass it in resisting chemical action, oil, light, corona, vibration. . . .

FRACTIONAL horsepower motors having correct amounts of oil for each bearing sealed in at the factory are now being offered. . . .

ONE difficulty in the operation of sodium vapor lamps, discoloration of the glass by the hot vapor, is being overcome by newly developed glasses resistant to such attack. . . .

WIRES in a new circular brush for removing paint and scale from metal surfaces are so set that all act on the work at once. It is used with a rotary hand tool. . . .

A NEW synthetic motor oil for year-round use is said to deposit no sludge, to be practically noncarbon forming, to require changing only when fouled with road dust. . . .

NONSKID surfaces are restored to smooth-worn tires by a new machine which cuts grooves in the treads. . . .

AN eastern railroad has put a new type of railroad coach into service experimentally. Double-decked in interior design, it seats 120 passengers instead of the usual 76. . . .

A NEW metal partitioning method provides practically any desired combination from fewer than two dozen standardized parts. These are said to be easily, quickly assembled. . . .

CREASELESS cotton, rayon, and silk fabrics are produced by a process recently perfected in England. Men's neckties made under the process are being marketed there. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—Material for this page is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business information into our offices in Washington. Further information on items mentioned here, which are of interest in connection with your own business, can be had by writing us.



# The Tax Fight Has Just Begun

By SILAS H. STRAWN

Former President, U. S. Chamber of Commerce

**S**URELY the business men of this country must be impressed by the truth of Bernard M. Baruch's article in the September number of NATION'S BUSINESS, "Federal Taxes Can Be Cut a Billion," and also by the opinions on the subject of "Government Waste," expressed by several leading business executives in the same number of the magazine.

Helpful as are those thoughtful and constructive suggestions, they cannot be made effective unless they are followed up by the insistence of every business man and taxpayer that, not only his representative and senator in the Congress, but his representatives in the state, county and municipal governments, pledge themselves to give persistent attention to the reduction in the costs of government, federal, state and local.

The Chamber of Commerce of the United States, for several years, has pointed out that, ever since the World War and particularly, during the five-year period ending in October, 1929, we were as prodigal in our governmental expenditures as we were reckless in our personal habits. I refer particularly to the reports of the Chamber's committees submitted in the course of the past year on Federal Expenditures and Federal Taxation.

## Greater savings can be made

THE most recent expression of the Chamber on that subject is the resolution adopted by its Executive Committee on August 12. This resolution suggested that, notwithstanding the efforts of the President and some of the members of the last Congress to reduce the cost of the Federal Government, further savings totaling at least \$800,000,000 might be accomplished.

Using the current year's budget as a basis, the items comprising the proposed minimum cut of \$800,000,000 were set forth as follows:

\$286,000,000 in the appropriations for

**ALTHOUGH** reports from all parts of the country indicate that gains are being made in the efforts to reduce the cost of government, the results so far are but a small part of the possibilities. Moreover, they may be short-lived if the fight is dropped now

those activities which were being conducted also in 1925, by placing positions, salaries and expenses upon the 1925 basis, which allowed satisfactory performance of these activities.

This saving, the Committee said, could be accomplished by reducing items which can be strictly compared for two years, exclusive of appropriations for fixed charges, Veterans' Administration, construc-



"But, lady, you could reduce, couldn't you?"



tion and public works, and other activities related to alleviation of conditions growing out of the business depression.

\$86,000,000 further if activities also conducted in 1925 which cannot be closely compared, and new activities, are subjected to reductions commensurate with the reductions outlined above.

In other words, not by eliminating activities entirely, but simply by subjecting new activities and other undertakings not strictly comparable in the two years to the same proportionate cut as the older activities, \$86,000,000 could be saved.

\$200,000,000 for construction and public works.

Because of a lag between the making of appropriations and the actual disbursement of funds for construction work, the Committee found that it would be possible to trim \$200,000,000 from the current \$700,000,000 appropriation and still not reduce public works activities during the 1933-34 fiscal year appreciably below the level of 1932-33.

\$100,000,000, in appropriations for the Veterans' Administration, without reduction in any benefits now paid by reason of disabilities incurred in connection with any service in the armed forces. . . . Estimates of possible reductions have ranged upward to \$450,000,000. Upon the total savings that should be obtained through application of proper principles, the Chamber's Committee on Federal Expenditures will later submit a detailed report.

The Committee left open temporarily the amount of possible reduction in this controversial item, indicating \$100,000,000 as an irreducible minimum in any event, but laying a basis for the stipulation of a materially larger amount after further examination of the facts.

\$150,000,000 if there is abandonment of only a part of the activities which the Chamber repeatedly has opposed for the reason that they are improperly competitive with private enterprise and orderly liquidation of the government's investments in these enterprises.

Mr. Baruch, following a somewhat different classification, has indicated in a general way wherein the costs of the Federal Government can be reduced by an even larger amount.

Everyone realizes how hard it is to gear down the productivity of a machine, especially a governmental one, because this always involves the painful problem of jobs, with its attendant political repercussion. The heads of the government departments are almost powerless to act because, the moment a bureau head is ordered to retrench, he gets in touch with his congressman, who exerts political pressure to retain his friends in their jobs.

Therefore, the compelling force in the reduction or abandonment of unnecessary or duplicated governmental activities must come from the people—"the folks back home"—who are staggering under their ever-increasing tax burden. The same condition obtains in state and local governments.

### Government grows faster than income

THE problem, therefore, is to impress upon those who pay the bills the gravity of the situation and the necessity for prompt and persistent action.

May I reiterate some figures, with which most business men are already familiar:

The total cost of government—federal, state and local—in 1890, was \$855,000,000; in 1913 it was \$2,919,000,000; in 1923 it was \$9,920,000,000; in 1929 it was \$13,048,000,000. Now it is almost \$15,000,000,000; or, on a *per capita* basis, in 1890 it was \$13.56; in 1913 it was \$30.24; in 1923 it was \$88.94; in 1929, \$107.37. Now it is almost \$115. In other words, in 1913 the cost of government took about \$1.00 for every \$15.50 of the national income and now it takes about \$1.00 for every \$4.00 of the national income.

In 1890 the total income of the United States was about 12.1 billions, 7.2 per cent of which was required for taxes; in 1913 the total income was 34.4 billions, of which 6.4 per cent went for taxes; in 1923 the total income was 71.5 billions, of which 10.1 per cent went for taxes; in 1930 the total income was estimated at 71 billions, of which 14.4 per cent went for taxes. Today the national income is probably less than 50 billions, more than 20 per cent of which goes for taxes. During the last five years the income has rapidly and persistently diminished, yet there has been no decrease in the cost of government.

For example, the total expenditure for war service pensions and other veterans' benefits from 1790 to 1931 was about \$9,000,000,000. The total spent for the fiscal year 1931 was \$1,013,041,905, or one-ninth of the total which has been spent for this purpose over a period of 141 years. The 1931 expenditures represent about 24 per cent of all federal expenditures for that year and constitute one of the principal factors, if not the most important factor, in the government cost problem.

No good American citizen should complain against, according to those who have suffered some disability, mental or physical, in the service of their

country, a full measure of relief for themselves and their dependents, but I believe it will become increasingly more difficult to persuade the taxpayers that we should continue to support 375,000 ex-service men who are drawing pensions of from \$12 to \$40 a month for disabilities admittedly not connected with their war service.

For war veterans' relief the United States spends 35 times as much as Italy, which had 16 times as many dead and wounded in the World War.

Recently the salaries of federal employees have been reduced. I do not consider the average salary of those employees too high. My criticism is that there are too many employees. In 1927, the average number of federal employees in the District of Columbia alone was 45,492, with an average salary of \$1,846; in 1931 the number was 51,123 and the average salary \$2,147; for 1933 the estimate is 53,750 employees and the average salary \$2,134. In this connection, note that the District contains fewer than one-tenth of the federal Civil Service employees.

### No arbitrary reductions

I WOULD not advocate reducing the number of federal employees arbitrarily. It seems to me a fair basis would be to see what we have done by way of increasing service since 1925, then carefully estimate how much of this service may be eliminated without injuring the public welfare. Everyone wishes to get as much for nothing as he can. If he can get the Government to carry on research and supply facts or material to help him carry on his business, he is that much to the good. But why should the overburdened taxpayer pay to provide service which the individual should provide for himself? Are we not rapidly drifting toward a state of paternalism which is wholly inconsistent with the fundamental principles upon which our Government was founded?

Although most publicity is given to the increasing costs of the Federal Government, the fact is that the greatest increase in the costs of government has been in the states, counties and municipalities. For example, the State of New York has increased its borrowings 221 per cent since the War. In Illinois the increase is 8,777 per cent; in California, 1,099 per cent; Missouri, 1,842 per cent; New Jersey, 10,476 per cent, and Michigan, 808 per cent.

Since the War, the spending in New York City has increased 180 per cent; in Chicago, 339 per cent; in Philadel-

(Continued on page 56)





Many cars now running will soon be ready for the city dump

# Blazing the Trail to Prosperity

ILLUSTRATIONS BY EARLE B. WINSLOW

**S**OMETHING must start it. The upturn in business that we are all waiting for. The big, buying cooperative movement that will sweep the country into better times. It can't be done in a day, or a week, or a month. But something or somebody can make the start.

So runs the text of one of the "promotions" for Wanamaker's New York store. Under the head, "Let's stir things up!" attention is invited to values "that will make the kettle boil and blow off the lid!"

And halfway across the continent, in Mitchellville, Ia., a group of farmers unanimously decided that "economy has become too much of a fad," and pledged themselves to abandon it. In their opinion, many persons, financially able, are not buying the merchandise they desire and need because they fear that they will be "criticized by neighbors, relatives, employees or employer." They determined to "buy the things we want and can afford for our own personal, home or farm use."

## Purchasing when needed

THEY added, "right now each of us needs from \$1,000 to \$3,000 worth of farm equipment. We will buy this equipment and other things just as rapidly as possible. We will give a word of approval to the man or woman in town or country who buys the things he or she wants and can afford."

These two states of mind are sympathetically related to the realization that it is buyers rather than customers

★ **EVERYBODY** has agreed all along that somebody ought to do something to get us out of the depression. Most of us have waited for the other fellow to do it. But some companies refused to wait. They had faith in themselves and in business. So they are going ahead. Here is a partial list of firms and methods that are out to lick hard times

who keep a business going. The immediate corollary is that purchasing inhibitions will be dominant just so long as selling ideas are dormant. It is one thing to say that fools rush in where angels fear to trade. It is quite another to ask with Edwin Dibrell, vice president of the Associated Dry Goods Corporation, "How about spending some money—some good advertising money—for ideas?"

To which Amos Parrish, president of the Amos Parrish Company, adds:

"That's one way to tell how much, if any, to cut your advertising budget. If you have no real story to tell, and no ideas for telling it, you can cut deep and plenty. Of course, you'll cut volume and profits too. On the other hand, if you know you have a selling story, and if you know your advertising department can tell it well, don't let last year's advertising or last year's figures stop you."

At a time when star salesmen seem to be in partial eclipse, there is point in the observation that rollicking tongues and hypnotic eyes are not half so effective as are shoe leather and plugging. Yet it is also possible to believe that diligence alone will not suffice. As Howard Dex-

ter, sales manager of the Petroleum Heat & Power Company, puts it:

"Intelligence and brains are needed more today in selling than ever before. More brains, more calls, more interviews are required if a man is to meet his sales quota under present conditions. But arguments must be more subtle, tempered to meet the mental attitude of people holding tightly to their purse strings. It takes a clear analytical mind to sell effectively in a reluctant market."

Fortunately, examples of resourcefulness are not rare. The trouble is that much of what business has done escapes public notice—and, sadder to say, the recognition of its own constituency.

Whatever the state of mass or individual awareness, it is demonstrable that, throughout the entire industrial structure, managements are zealously working up ways to veto the depression, as witness these representative stratagems:

"Will you help provide one million work hours for American Labor?" the Timken Silent Automatic Company, Detroit, asked 75,000 owners of its oil burners. Then, to show that it is not a matter of one-sided philanthropy, this



company declared, "We will reward you by offering \$10,000 in cash prizes, plus substantial cash awards."

The \$10,000 was divided into 190 prizes—the first of \$2,000—for owners who submitted, between June 1 and July 31, the names of the most prospects whom the company sells and for whom burners are installed before November 15. In addition, for each prospect submitted by an owner before July 31 for whom installation is made before November 15 the company pays \$10.

Timken counts only those prospects, not already in its files, who have steady employment or income, own a home, do not now have a "modern oil burner," and live in the owner's community.

Promotion of retail sales of equipment by the electric utilities corporations with the idea of boosting the domestic use of current, has decisively accelerated sales of appliances. Electric refrigerators perhaps contributed the most dramatic performance, sales in 1931 amounting to nearly 1,000,000 units, a substantial increase over the previous record. Unit sales of leading refrigerator producers during the first half of 1932, moreover, are believed to have been as much as 15 per cent greater than in the corresponding period last year.

### Good articles can be sold

SIMILARLY, other appliances, including electric heaters, therapeutic lamps, toasters and a variety of such articles have continued in good demand. By way of keeping in the public eye, electric utilities are beginning a three-year campaign to popularize the electric range.

Sales totalling \$1,503,268 in May were reported as the result of the first 30 days of the May-June employee sales campaign of the Westinghouse Electric & Manufacturing Co. Also this industrial group, organized for a two-month period into a commercial army, turned up 35,607 sales, mostly of domestic appliances, showing that they outdid their pledge of making one sale per individual. Thousands of recorded prospects who did not make purchases in May gave the employees a flying start for



**Cuts in steamship rates have induced many to try once more the joys of foreign travel**

June, when it was announced that the sales campaign would be continued.

The Company's 53,000 stockholders also entered spiritedly into the campaign. When told of the resourcefulness of employees, who originated the campaign, these owners of the company enlisted with the workers. Many stockholders have written to the workers' committee, telling of interviewing prospects, making actual sales, and themselves buying.

Is home sewing coming back? The Singer Sewing Machine Company is writing its own answer by advertising reduced prices on all family machines and clearance of used machines. A complete home sewing course is free with every machine. Easy monthly terms are offered.

In announcing its new radio line this spring the Atwater Kent Company said, "It represents values written in capital letters. It is a result of economies effected in the past year—necessary economies in a company built up when expenses meant nothing."

Tripling of last year's record business of \$500,000 is the goal set for this year by Ellsworth R. Boeck, president of the Truck Equipment Co., of Buffalo.

Swinging into production of a new combination "third-axle and gravity

spring suspension" for trailers, his company saw immediate employment for at least 50 more shop workers. Output of the combination was made possible by arrangement with the Fager Hydraulic Hoist Co. of Los Angeles for exclusive patent rights east of the Rocky Mountains. Another factor that promises success for the ambitious goal set for 1932, the company says, is the fact that 28 state legislatures have passed regulations permitting additional carrying capacity for third axle-equipped trucks.

### Stimulating the use of paint

SOMEBODY has to start the ball rolling, as Wanamaker's suggested. The Glidden Company, Cleveland, did it by beginning a campaign for plant interior refinishing. It offered with each six drum order a free Electric Spray-Painting Unit, list price \$166.50. The advertising copy carries this timely text:

"America needs right now the stimulating effect of increased employment. This offer, one that every plant can use, will stimulate employment, cut down paint application cost and increase property values.

"We believe it to be our contribution to a brighter future for American Industries."

In the transportation field there is promising flux and ferment. Several auto manufacturers, says the magazine *Steel*, are preparing to enter the lower-priced brackets. The vital point is to catch the turn—to avoid wasting new models on a sterile market and yet be ready the instant buyers are. Many cars now running are nearly ready for the city dump and will need to be replaced. Rumor is lively and ingenious.

As for public interest in older means of transportation, the Pennsylvania Railroad reports that more than a million and a half people have investigated the intricacies of the newest kinks in train travel, placed on exhibit recently in eight principal eastern railroad terminals. Recent excursions on the Pennsylvania Railroad reveal that approximately 75 per cent of the excursionists taking advantage of the low rail and Pullman rates had never traveled in a sleeping car before. This disclosure led to the public exhibition in various railroad stations of the newest facilities.

People still find a strong attraction in the allure of a railroad train, according to officials in charge of the exhibits, although inquiries reveal that many youngsters now growing up have never ridden on a train and have no idea of its conveniences and comfort. The Pull-



man exhibits which aroused the curiosity of thousands included the single and double bedrooms, well known in Europe but comparatively new in America, the complete section and new styles of upper berth arrangements.

The deep cuts in steamship rates for all classes of travelers made recently by all the trans-Atlantic lines would seem to have induced substantial numbers of tourists to try once more the joys of foreign travel. In Paris, on some days, says the *New York Herald-Tribune*, "as many as six boat trains discharged hundreds of recently arrived passengers at the *Gare Saint-Lazare* and a new rash of 'American bars' is discernible in the Opera quarter. Once again the midnight sailings so much in vogue both for convenience and as fashionable events a few summers ago are bringing thousands to North River piers to wave gay farewells to friends England or Continent bound."

Very probably most of those who seek foreign climes are doing it on a far more modest scale than that which prevailed in the brave days of another market. But the fact remains that, where reasonable rates prevail, Americans can somehow scrape together carfare and souvenir money.

### Cheaper manufacture is in vogue

"ECONOMIC conditions have caused a considerable number of new industries to come into being to promote ideas of cheaper manufacture and to produce articles for public consumption at lower costs," Louis B. Beardslee, industrial specialist of Chicago, told members of the National Association of Real Estate Boards in convention at Cincinnati.

"This has helped create a market for small properties throughout the country," he explained, "and many of these operations, although small at present, will develop into sizable ventures. In the past several years industry has committed itself to a program of utilizing one-story buildings to such an extent that more one-story plants are erected at present than any other type. The one-story building, therefore, has become the most readily marketable of any class of industrial property. While it is true that industry has not been prone to invest money in properties, it has been willing to increase its plant efficiency by acquiring available one-story plant structures that promised economies of operation."

It is his observation that "plants which have expanded and then had to retrench have found themselves with considerable floor space for which they

had no immediate or perhaps future use. This has brought into the market a factor of competition that has resulted in many plants acquiring excellent properties at low cost and low rental."

### Materials in the new competition

REPORTS from various sources in the lumber industry to the National Lumber Manufacturers Association indicate that the competition of steel, copper, concrete and the new synthetic materials is to be met with a vigorous counter-offensive. Manufacturers, architects and building engineers of the allied forest industries are endeavoring to work out a satisfactory factory-made small house for dealer distribution, and to devise an ideal extensible house so that a home builder may start with a small unit and make harmonious additions from time to time.

They are also trying to simplify traditional frame construction so that less labor and material will be required. Small houses are already being made at factories and shipped in knocked down units.

The steel interests also are alive to their opportunities. According to J. C. Shields, assistant general manager of sales of the Carnegie Steel Company, the United States Steel Corporation has appointed a committee of its executives to study dwelling house construction and to assist builders and designers. It recognizes in house construction a poten-

tial market for some 3,600,000 tons of steel annually. Here are some estimates made by the steel men:

"Having arrived at a potential demand in the United States of 300,000 new homes a year, we are next interested in knowing what that number would mean in terms of steel. The average residence is assumed to have six rooms. Engineers tell us that economical framing requires 1.25 tons per room. This would mean 7.25 tons per house or a total of 2,250,000 tons per year.

### Houses may be built of steel

"AS STATED, this estimate contemplates framing only. Consideration is already being given to covering floors, and exterior or interior, or both, with steel in the form of strips or sheets. The average requirements of this material are estimated to be .75 of a ton per room, or 4.5 tons per house. This adds another 1,350,000 tons to the annual tonnage possibilities, and the grand total reaches 3,600,000 tons. It would, of course, not be reasonable to expect that all of these houses could be swung over to steel, but the figures show what a large field there is, of which so far the surface has hardly been scratched."

Once again the report of quantity production of fabricated houses turns up. This time Reimers, Whitehill & Sherman, New York, are authority for the statement that General Houses, Inc., will make steel frame houses and will



"Stock your shelves now and we will carry you for six months at least without asking for a penny," is the gist of the Liggett message



sell them on a simplified mortgage plan by which house and land worth \$4,000 can be paid for at \$30 a month. The company had not been financed up to July 1, but was expected to cooperate with the Pullman Car & Manufacturing Company, General Electric Company, Pittsburgh Plate Glass Company, the American Radiator, and Standard Sanitary Corporation, and other firms in allied industries, the report said.

### New styles in homes

HERE'S the way the Bakelite Corporation views the possibilities:

"Two great forces are at work, which forecast a period of tremendous activity in the home construction field. One is the extreme state of obsolescence, which means a large volume of repair work. The other is a new trend in modern home design. These two influences will have a considerable effect on the renovation of old homes and the construction of new. There will be a need for new types of glass, new metals, more durable paints and varnishes, synthetic building materials, including those made of plastic products."

One captain of industry has recently given practical demonstration of his belief that the depression has touched bottom and that revival of trade is near at hand. More to the purpose, he backed his confidence in the future course of business with the dollars and the credit of his organization. When Louis K. Liggett of Boston, president of the United Drug Co. and the Liggett stores, notified the 10,000 Rexall druggists that a six months' open credit without interest had been opened for them with the United Drug Co., he was practising a realistic optimism:

"Stock your shelves now and we will carry you for six months at least without asking you for a penny. Times are going to get better. Here is credit and confidence to help."

That is the gist of the Liggett message.

Increased use of the trade acceptance is another evidence of business self-help in a time of congealed credit. Several industrial corporations are taking short-term acceptances from responsible customers in payment for goods, in this way giving hearty support to the new "trade acceptance plan" which is expected to help business obtain needed credit from banks, increase bank deposits and also serve as a means of expanding Federal Reserve Bank credit.

Among the corporations already interested in the plan are General Electric, General Motors, Standard Oil of

New Jersey, Westinghouse, the United States Rubber Co., and Du Pont. The seller can present these trade acceptances at his bank and obtain cash for his goods in advance of the time when the buyer will have the money to pay for them. The banks can rediscount these acceptances at the Federal Reserve Banks and obtain cash.

The International Harvester Company early in the spring announced that, on all notes for farm machinery maturing in 1932, the company would credit the grower with the difference between the average market quotation for the five-day period preceding and including the date of maturity and a basic price of 70 cents a bushel for wheat and 50 cents a bushel for corn at Chicago and 8.5 cents a pound for cotton at New Orleans.

An example of how the plan would work out was given by George A. Ranny, vice president in charge of sales. To meet a note of \$420, he said, a grower would have to sell a hypothetical 600 bushels at 70 cents. Should the market price, however, be only 60 cents at maturity and the grower realizes only \$360, the International Harvester Co. would credit him with \$60 on the note.

Any one who takes thought of the course of business in 1931 probably would have no difficulty in agreeing with C. F. Hughes of the New York *Times* that:

"The drive to maintain volume brought many evils. It provoked irresponsible competition and exaggerated claims, and it probably hurt consumer good will to a considerable extent by furthering the sale of inferior merchandise in many classifications."

### Quality goods sell better

IN LOOKING back on his results for 1931, one buyer confessed, "Most of my mistakes were on cheap merchandise. Most of my success was in the better grades."

So he explained that he will put his experience to work by stocking more quality goods. It is apparently the intention of many large stores to work along similar lines for 1932. They will content themselves with the smaller volume dictated by general business conditions, but will try to make that volume profitable by scaling down some of the higher costs which are attached to pushing sales beyond their proper economic level.

Meanwhile, the men who sell America's suits and overcoats determined, through the National Retail Clothier's Association, to outline a new approach

to their methods of doing business. To this end they planned to study a "mythical" store—these thousands of retail clothiers whose business in normal years rang up \$2,500,000,000—and after an analysis of its operations they hope to remedy faults in management of their own stores.

Every departmental operation of the "mythical" store will be studied in detail. Its board of directors will analyze its business for the year, uncovering mistakes in management. To make certain that major problems of 1932 are clear, a stereopticon machine will portray the "mythical" store's merchandising methods.

As the depression has deepened and widened it has put a premium on ideas. Many of the new alignments of methods and service reemphasize the underlying unity and inter-dependence of all business, though easier times did not make it necessary to explore this basic fact. Witness these recent associations in merchandising:

### Associating sales units

THE Great Atlantic & Pacific Tea Company will establish a complete grocery department in the Montgomery Ward retail store in St. Paul. Sears, Roebuck & Company has the same sort of arrangement with the Kroger Grocery & Baking Company for some of its department stores. The Universal Cooler Corporation and the Conditioned Air Corporation of Detroit will distribute air conditioning equipment through Rudolph Wurlitzer Company's musical instrument stores in New York, Cleveland, Philadelphia, Cincinnati and other large cities.

The lesson of this flux and ferment of commercial thought is plain to read. Continuity in functioning is as important in business as in human life. How to maintain the hard won momentum of success—how to revitalize the spark that keeps going concerns going—is the decisive problem.

It is all too customary to read tragedy into the continuing spectacle of idle factories and idle men. Happily, the national scene is relieved by evidence that business minds are not idle.

Awards of contracts for an \$8,500,000 generating project authorized by the Philadelphia Electric Company make a case in point. Of the award to the Westinghouse Electric & Manufacturing Company, the utility's president, W. H. Taylor, said:

"This contract award, based on careful engineering study, is a reflection of  
(Continued on page 55)





Will the brewer's dray bring prosperity along with beer?

# If Beer Returns to Business

By R. C. WILLOUGHBY

Of the staff of NATION'S BUSINESS

**W**ITH THE prohibition question entering a new phase by reason of the "modification-resubmission" and "repeal" declarations of the major political parties, the business aspects of the issue have been elevated to a larger share of public notice. In a very real sense, the depression has also provided a state of mind which has fertilized discussion of the economic significance of the eighteenth amendment to the Constitution. Much of the talk has centered on the industrial consequences of a return of light wines and beer—what legalized production, transportation, and sale would mean in employment, taxes, consumption of grains, sale of equipment and supplies and the like.

## Important business in the old days

NATURALLY enough, a good bit of the conversational exchanges find their authorities in the film of memory, for many people still remember when breweries were running full brew. It was not uncommon in the pre-war days for sightseers and even local residents to visit the vat rooms and give eye and tongue to the chemistry of "the brew." The brewmaster was a mighty man in those days. Like as not, the architecture of the plant was lost in the smoky aura of the factory zone, but there was no mistaking the business of the laden trucks and the ponderous teams which drew them. The more opulent concerns vied with one another in the blazonry of their wagons and the garniture of their harness. Abe Martin once said that there was no imitating the rumble of a circus wagon, but the drivers of the big brewery trucks could do an eight-horse hitch as expertly as their brethren of the big top. Some of the breweries were as proud of their draft horses as of their draft brews. There were blue ribbon horses as well as "blue ribbon" beer.

★THE United States Chamber of Commerce is making a "study of national prohibition with regard to its effect on social and economic conditions, and on federal revenues and expenditures." Its opinion will be made known by December 1. In the meantime it is worth while to consider the industry most affected

What has happened to the breweries since the coming of prohibition is common knowledge. Some have found salvation in the production of malt extracts, ginger ales, carbonated and cereal beverages, and one company has turned to the manufacture of Diesel engines. While abandonment of the physical plant has not been rare, the statistics of this business are still in a lively state of preservation. In fact, the trade organization of the industry, the United States Brewers' Association, has made it its job to show how the industry stood in 1914, its best year.

Here are some dimensional figures: The capital invested in the brewing industry in 1914 amounted to \$792,914,000, in malting, \$46,767,000, and in the wine industry, \$31,516,000. In that year there were 1,347 brewing and malting establishments and they employed 77,364 men, with an aggregate payroll of \$83,378,000. The cost of the materials used in brewing and malting was \$168,933,000.

Going back to 1914, a pre-war as well as a pre-prohibition year, internal revenue figures for consumption reveal this production ranking: Beer, 2,056,407,000 gallons; distilled spirits, 143,447,000 gallons; and wines, 52,418,000 gallons—a total of 2,256,272,000 gallons. Another high level of gallonage wet down the records for 1917—1,880,000,000 gallons of beer, 167,640,000 gallons of distilled spirits, 42,720,000 gallons of wines, 2,095,000,000 gallons in all.

For the ten years previous to 1920, the year in which the



Many industries expect to profit supplying brewers, if and when beer returns

Most old breweries have gone out of business or branched out in kindred lines



KEYSTONE VIEW AND CULVER SERVICE

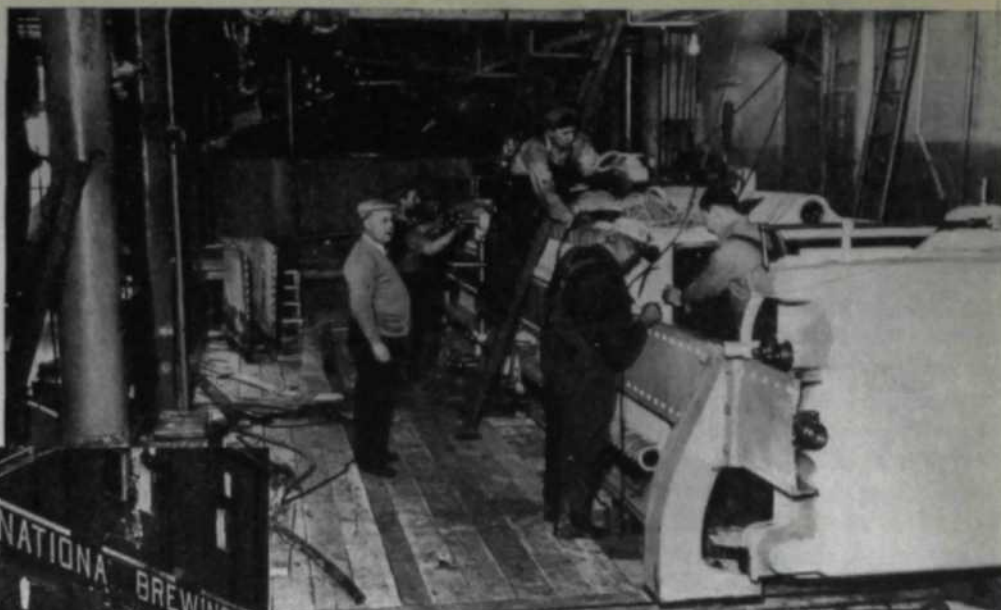
eighteenth amendment went into effect, the average would stand in this order: Beer, 1,862,000,000 gallons; distilled spirits, 131,247,000 gallons; wines, 51,278,000 gallons, making the average for the decade, 2,044,500,000 gallons. These figures, it should be observed, take no account of the home-brewed beer, wine, and spirits illegally produced in the dry states.

Much has been said about the relation of commercial brewing to agriculture. Here again the Association is authority for the statement that the actual farm value of the grain and hops purchased by the brewers in 1913 was \$87,520,827. In this behalf they cite a Congressional inquiry instituted in 1921 to consider the question of a possible revival of the barley industry by increasing the demand for barley malt.

In particular the brewers quote the testimony of R. E. Jones of Wabasha, Minnesota, a grain merchant dealing chiefly in barley. He is reported to have said,

The consumption of barley for brewing purposes was 80,000,000 bushels a year. The production of barley was from 200,000,000 to 225,000,000 bushels a year.

Taking it year by year, the brewers, their association asserts, used from 30 per cent to 35 per cent of the entire barley crop. Moreover, it contends that before prohibition it took about 12,000,000 acres of land to grow the barley used for malting purposes. If to that figure is added the acreage under cultivation to hops, rice, and other materials used in making beer, the brewers argue, it would bring the total up to 15,000,000 acres.



P. & A. PHOTO AND CULVER SERVICE

Public finance enters the consideration under its own power by reason of tax legislation. The former federal tax on beer was in the form of a stamp tax, the stamp being affixed to the barrel when it left the brewery. The beer sold in the fiscal year ended June, 1918, amounted to 50,266,216 barrels, and the internal revenue tax was \$3 a barrel, so that the revenue to the government was \$150,789,648. During the war the tax was raised to \$6 a barrel, but this was a special war tax and was, of course, an emergency action.

### Many industries would be affected

MOVING along to the contributions to other industries, the brewers rate themselves as rather influential customers. For example, they point to a bill for 2,000,000 tons of coal in 1917. And in the matter of transportation, they emphasize the following items in connection with their business for the year 1918:

Coal	40,000	carloads
Brewing materials	63,666	"
Machinery appliances	5,000	"
Beer in kegs or bottles	10,000	"
Brewers grains	5,000	"

However speculative the estimates of the expenditures predicted on a restoration of the brewing industry, its spokesmen manage to contrive plausibility with their ideas of the amounts involved in the re-conditioning and re-equipping of the decadent plants—"the purchase of an enormous quantity of brewing and bottling machinery, together with bottles, boxes, barrels, hose, and other appliances and supplies. It would mean the employment of a host of carpenters, coopers, painters, electricians, box makers and mechanics. If to these are added the truck drivers, the railroad employees, the servitors in hotels, clubs, and restaurants as well as grocery stores, and the farm hands engaged in raising the raw materials used in brewing, the sum total of the labor to be employed would easily reach half a million. If their dependents are considered, a grand total of about two million persons is involved."

Some idea of the industries related to the brewing business is obtainable from the advertising pages of the *American Brewer*, a trade publication. In its issue of October, 1931, 38 pages are devoted to advertisements, with 119 of the individual advertisers indicated as dealers in brewing, bottling and refrigerating machinery and in a considerable number of articles used in bottling establishments. The list



also includes maltsters, hop merchants, and purveyors of such articles as syrup, brewing sugars, isinglass, pitch, varnish, enamel, rubber goods, brass fittings, labels and labellers, electrical apparatus, faucets, bungs, bunging machinery, corks and crown caps, brooms and brushes, Malto-Dextrine, brewing salts, grain driers, cooperage and other containers, and special machinery, such as pasteurizers, coolers, pumps, tanks, gas compressors and washing machines.

### Evidence of a boom in sight

WITH more of certitude it can be said that the Democratic repeal plank revitalized hope in minds of brewers, and manufacturers of and dealers in brewers' supplies. Possibly the exhilaration reported by an inquiring reporter for the New York *Herald-Tribune* is typical of the industry's state of mind throughout the country.

John F. Hunt, president of the John F. Hunt Company, manufacturers of "complete brewery installations," said: "Before prohibition there were 1,750 breweries in operation in the United States, and now there are only 80. Naturally, business has not been very good."

When prohibition went into effect Mr. Hunt bought the complete equipment of 500 American breweries, which he reestablished in Spain, Japan, South America, Cuba and Canada.

"But these are now discontinued, and we have a set of new machinery," he said. "I have re-employed a large portion of my engineering staff, and within the last week have

taken on twenty more employees. If the law is repealed I can take on 2,000 men."

If the law is repealed there will be at least 2,000 breweries, Mr. Hunt believes, each expending from \$150,000 to \$2,000,000 on equipment.

"The cheapest a man can get into the business is \$150,000," he said, "and \$2,000,000 is about the limit for a large, fully equipped plant."

In the last few months Mr. Hunt has had the first business boom since 1920. Business interests are actually putting up cash deposits for machinery, he said, and signing contracts.

"People are really buying and trading property for the erection of breweries," Mr. Hunt said, "and we are doing the best business since prohibition was passed."

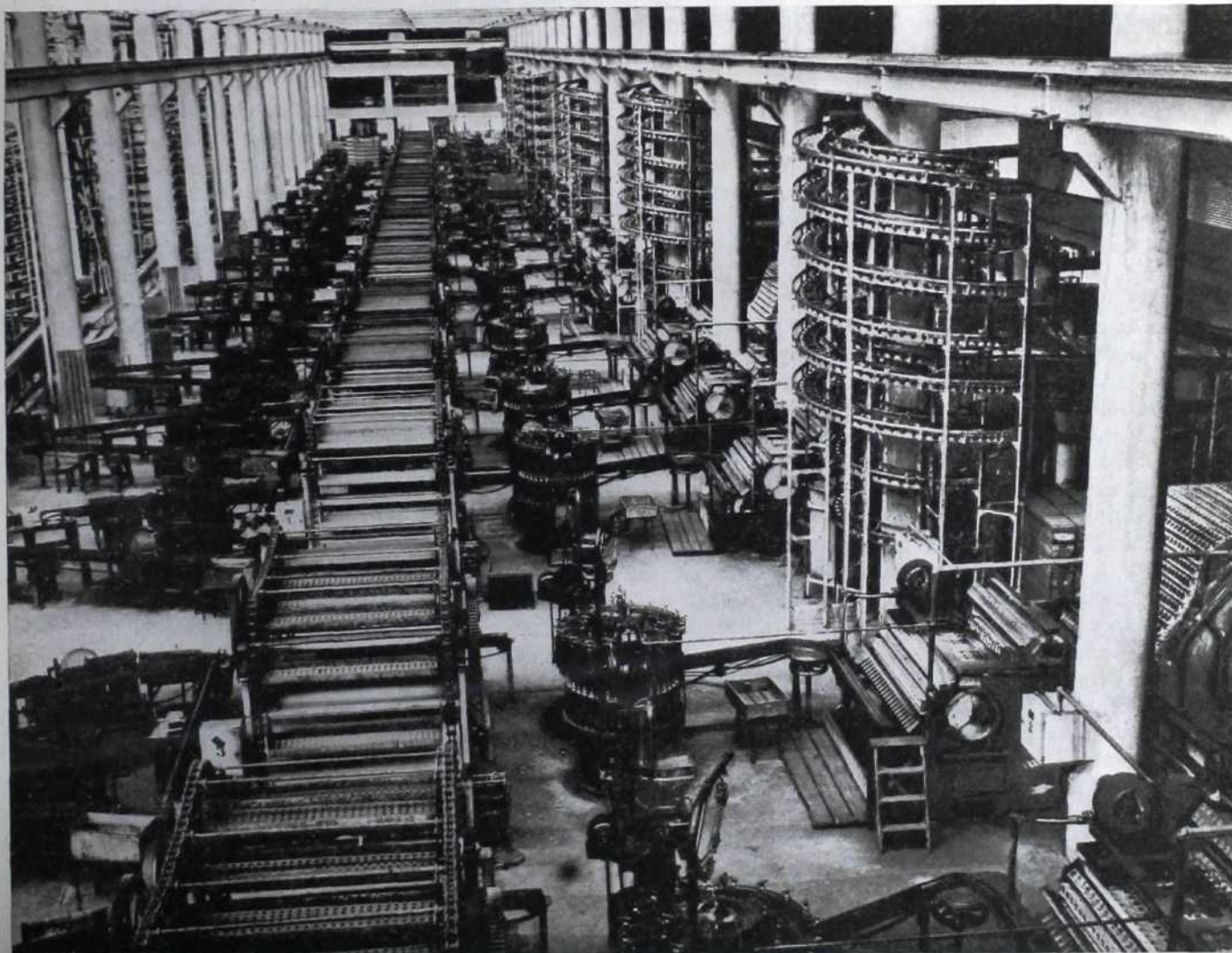
### Brewers anticipate return of beer

HIS company is "all set to go," Mr. Hunt said, and will be ready to furnish everything from copper boilers to caps if beer is legalized. "We closed contracts in the Middle and Far West last week," he announced, "and two very important ones here in the East."

The companies which supply ingredients to the brewers have not been so fortunate in business lately, but they all indorse the repeal plank and predict a great wave of prosperity if repeal is effected.

Maynez and Company, for instance, has had no encouragement in the sale of brewery accessories, but is quite hope-

(Continued on page 62)



Breweries are being completely modernized in preparation for an expected boom in their business

WIDE WORLD AND CULVER SERVICE



# Giving Work to the Most Men



**W**HAT is the greatest gift that a man could receive today?

Security!

Let's take two or three examples and see how that works.

Here's A. He's a factory worker. From 1921 to 1929 he had a steady job with some increases in pay and some opportunity for adding to his income by overtime. He bettered his scale of living. He laid by a little and he acquired perhaps a small burden of debt. Now he's working irregularly. He's making half to two-thirds of his old income, his savings stand still or shrink, the debt doesn't lessen. But he could get along since some of his expenses are down IF—and that's an enormous if—he could only feel sure of what he's getting now.

Take B. He's at an office desk. He did get \$10,000 a year and life seemed rosy. Now he's getting \$7,500. He'd readjust his way of living and face the next few years with some composure IF—the same old if—he only felt sure that the next ten years wouldn't see things worse than they have been.

Consider C. The world rated him rich. His salary was large. He had a bonus in good years and years had been good a decade before 1931. He drew a considerable amount in dividends. Now his salary is off, his bonus a vision and his dividends cut in two or three. To A and even to B he still seems rich. But he's worrying about next year. In 1925 with an income no bigger than he's getting now, he bought a new automobile and sent his family to Europe. He won't do either this year. He's afraid of next year. Fear has made him not only cautious but cowardly.

C can hardly look to anyone but himself for confidence and a feeling of security. B knows that his future rests partly with himself. But A feels that his future is so much in the hands of others that he can only hope.

Can anything be done for A? Yes, something has been done and much more can be done. He can be assured that whatever work there is will be divided among the greatest possible num-

**TWO groups are attacking the problem of rationing available work so that all may be assured security until present conditions improve. The "Five-Day Week" has been prominently mentioned in connection with their investigations but it is an entirely different problem as this article points out**

ber of men. He cannot be told in every case that he will be sure of five days work and five days income though that has been possible in many cases; he can be told that he will not be let out while a small group work full time.

The arithmetic of the problem might be put thus: A factory has had 600 men working 48 hours a week, which is 28,800 work hours. At present it can work only two-thirds time so that it has 19,200 work hours. It can let 200 men go and keep 400 at full time or it can keep 600 at 32 hours a week. Everybody has something and no one is out of work.

## A complicated problem

PUT that way it is delightfully simple. In practice the problem is more complicated. With every wish to be as considerate as possible of his workers, the employer has also to reckon with profits. His stockholder may be as unwilling to face an empty pay envelope as is his worker. If low cost production and profits were the only aim of industry in these days, it would probably be wiser for the employer, in solving the problem of arithmetic which I have just stated, to keep 400 on at full time and let the least efficient 200 join the ranks of the wholly unemployed. But even the employer who would concern himself only with money profits cannot always cut working forces down to the number of men who can be retained to produce the amount of goods he can sell. He knows the danger of weakening a working staff and the difficulty he may face in recalling good men when business increases.

But as a whole, American business

has not in these years of trouble fixed its eyes only on profits in dollars. The idea that labor was something to be bought at the lowest price possible for satisfactory work has given way to the belief that the human relationship must be considered.

There is a further complication when it comes to dividing work. That is the question of individual needs. Here are two

workers of equal skill. One is married and has three children, the other is single. Shall we consider those facts in dividing the available work?

In some plants it may be wiser to divide up available work time by reducing hours *per day* rather than by reducing days *per week*.

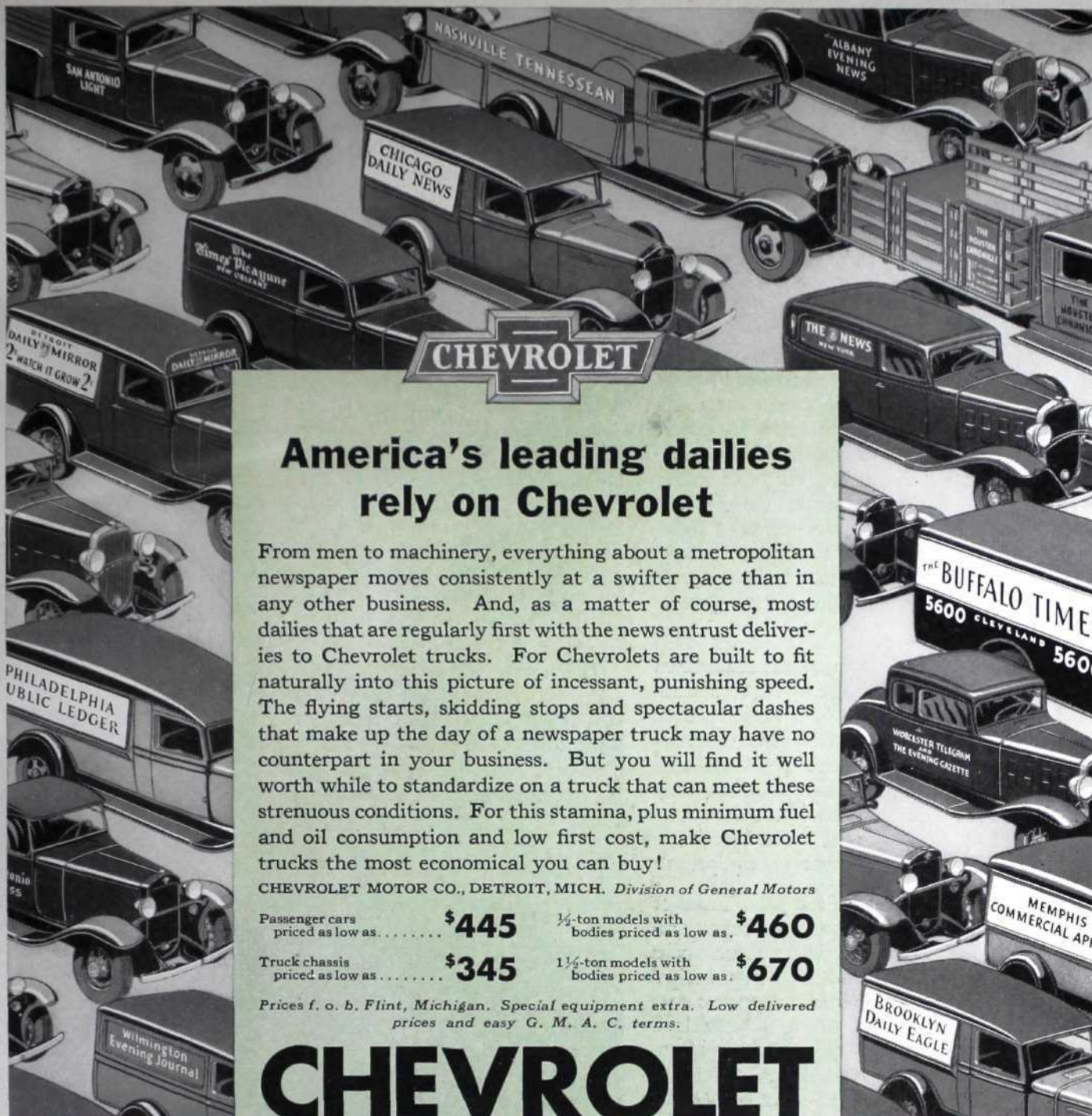
There can be no standard rate of job spreading which will fit all industries or all the units of any one industry. But a vast amount of missionary work can be done although already thousands of concerns have put the plan into effect in some form.

This possibility of missionary work has led to the forming of two important committees to spread this gospel throughout American industry. One is a Committee on Working Periods appointed by President Henry I. Harri-man of the United States Chamber of Commerce and headed by P. W. Litchfield, president of the Goodyear Tire and Rubber Co.; the other is a sub-committee chosen at the Conference of Banking Industrial Committees called by President Hoover and held in Washington August 26. This committee is headed by Walter C. Teagle, president of the Standard Oil Company of New Jersey, and a director of the United States Chamber.

The Teagle committee started at once an intensive drive on business to urge a wider distribution of work. It will follow throughout the country, with needed changes, the plan already put to work on the Pacific Coast by K. R. Kingsbury of the Standard Oil of California.

The Chamber's committee will study not only the immediate situation and the possibilities of further spreading





**CHEVROLET**

## America's leading dailies rely on Chevrolet

From men to machinery, everything about a metropolitan newspaper moves consistently at a swifter pace than in any other business. And, as a matter of course, most dailies that are regularly first with the news entrust deliveries to Chevrolet trucks. For Chevrolets are built to fit naturally into this picture of incessant, punishing speed. The flying starts, skidding stops and spectacular dashes that make up the day of a newspaper truck may have no counterpart in your business. But you will find it well worth while to standardize on a truck that can meet these strenuous conditions. For this stamina, plus minimum fuel and oil consumption and low first cost, make Chevrolet trucks the most economical you can buy!

CHEVROLET MOTOR CO., DETROIT, MICH. *Division of General Motors*

Passenger cars priced as low as.....	<b>\$445</b>	1½-ton models with bodies priced as low as.	<b>\$460</b>
Truck chassis priced as low as.....	<b>\$345</b>	1¾-ton models with bodies priced as low as.	<b>\$670</b>

Prices f. o. b. Flint, Michigan. Special equipment extra. Low delivered prices and easy G. M. A. C. terms.

# CHEVROLET

## SIX CYLINDER PASSENGER CARS AND TRUCKS





# Extremes

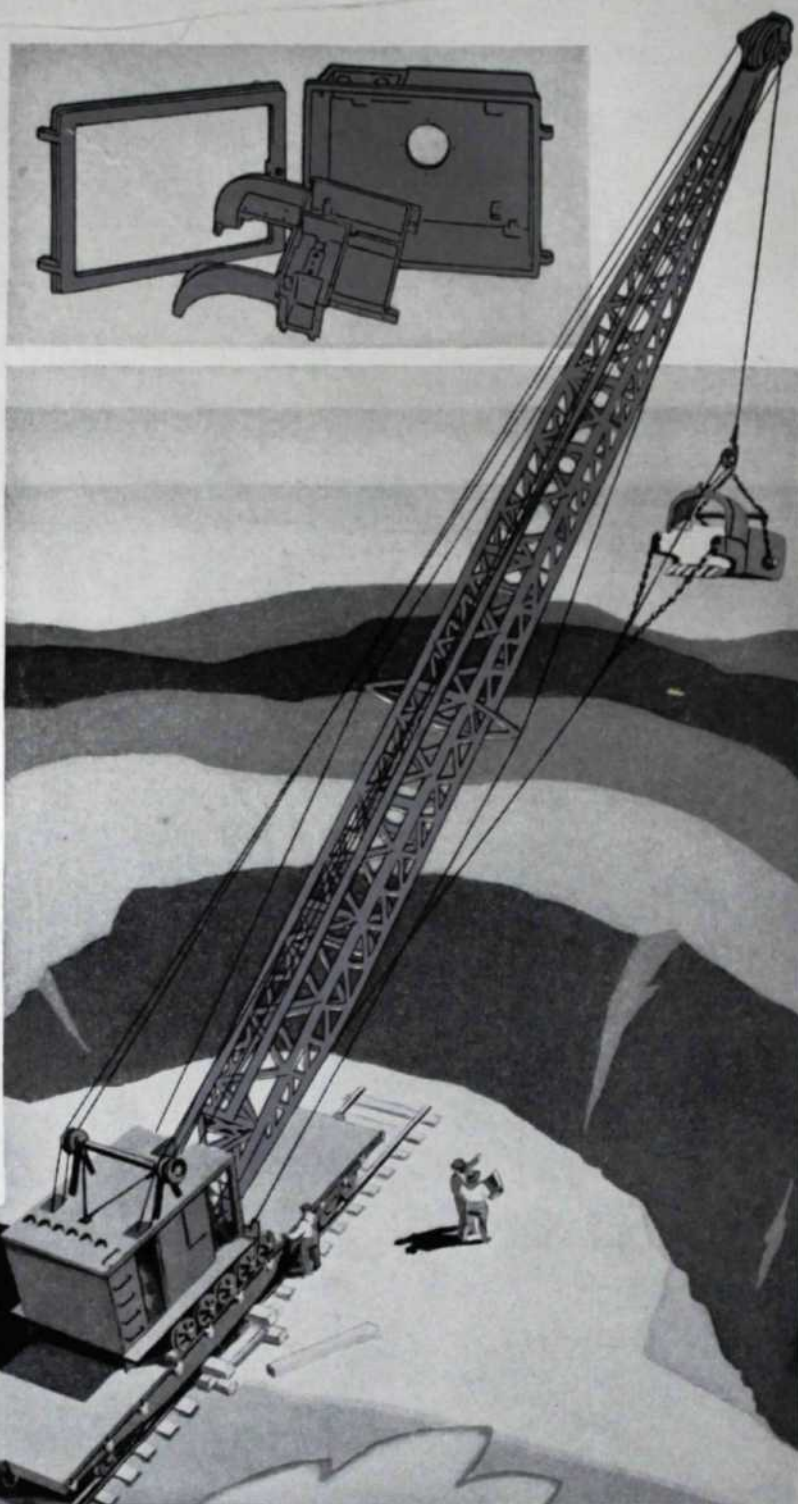
—yet both made of Alcoa Aluminum

. . . . a delicate  
precision pyrometer;  
a vast drag-line boom

A thin-walled, die cast case that must rigidly preserve the alignment of the precise recording pyrometer; a 15-ton arm thrusting its power against obstructing earth;—such tasks are constantly solved by the strong alloys of Alcoa Aluminum. For the pyrometer case, Alcoa Aluminum furnishes the advantages of lightness, permanence and rigidity. With the 175-foot drag-line boom of this metal, the operator saves 17,000 lbs. dead-weight; secures greater working range.

In the light, strong alloys of Alcoa Aluminum you have metals that are the equal of structural steel in strength—yet only  $\frac{1}{3}$  its weight. Alcoa Aluminum ably combats rust. Keeps its attractive appearance, takes and holds paint well, and yet its cost is comparable to that of other metals of fewer advantages. Parts made of Alcoa Aluminum can be forged, cast, welded and machined with standard metal-working equipment.

Why not check with us on the possibilities of Alcoa Aluminum, before designing new or re-designing old products? Large warehouse stocks of Alcoa Aluminum are carried in principal cities. Write for the name of your nearest distributor and for a copy of "Alcoa Aluminum and Its Alloys." Please address ALUMINUM COMPANY of AMERICA; 2425 Oliver Bldg., PITTSBURGH, PENNSYLVANIA.



# ALCOA ALUMINUM



Rivets, bolts—from these strong alloys  
Bolts, made of Alcoa Aluminum, have approximately the same strength as ordinary steel bolts—yet weigh only  $\frac{1}{3}$  as much. Constant use has but proved the dependability of rivets and screw machine products made from these strong alloys.





employment, but of the long time tendency toward shorter work periods in American industry. This Chamber committee which first met on September 8 and which was expected to make a preliminary report to the Chamber's Board of Trustees late in September, has these members in addition to Chairman Litchfield:

Chester I. Barnard, president, New Jersey Bell Telephone Co.

W. S. Farish, president, Humble Oil Refining Co.

Lafayette Hanchett, chairman of board, Utah Power & Light Co.

John A. Law, president, Saxon Mills.

Carleton H. Palmer, president, E. R. Squibb & Son

S. V. Silverthorne, president and general manager, L. S. Donaldson Co.

Theodore Swann, president, Swann Chemical Co.

John F. Tinsley, vice president and general manager, Crompton & Knowles Loom Works.

It has been suggested in some quarters that there is really little work for the Teagle committee, that most plants are already working part time and that what work there is has been so distributed that not much remains to be done.

Figures on this question are neither exact nor complete yet here's one figure that gives a contrary indication. The "Trend of Employment" issued monthly by the Department of Labor gives these figures in the July number based on reports from 13,340 establishments in 89 industries:

Per cent of establishments idle	6
Per cent in which employees worked full time	38
Per cent in which employees worked part time	56
	100

But the 56 per cent reporting part time all reported that workers were averaging 70 per cent of full time.

Figures such as this would indicate that there was still work for the Teagle committee.

### Long-time trends to be studied

THE Litchfield committee of the Chamber has a different task, a task of inquiry not merely into the best method of dealing with immediate conditions but of reckoning on the future, of working out some probable long-time trends in hours of employment.

Confusion has been added to this discussion of the question of shorter working hours by calling for "the five-day week." The immediate task of the Teagle committee is not to establish a five-day week or a 30-hour week, but to give the greatest possible amount of

work to the greatest number of workers. That point Mr. Teagle made plain when he said:

"We are not trying to sell any definite plan. We are not going to talk the six-hour day or the five-day week. Our purpose is to get all employers to take on additional workers and so to adjust the hours of all that by the end of a given period, whether one month or three months, all workers will have worked the same amount of time.

"We hope to make this a movement to which all employers will subscribe, and we think that, if the move is successful, it will at least prevent a further increase in unemployment.

"If there were a partial food famine the available supplies would be rationed to the end that all might live, and no one would question the necessity or fairness of such action. Now that there is a partial famine of work the supply of that likewise should be rationed or spread more widely so that the prediction of 13,000,000 unemployed in this country by the first of next year will not be realized nor even approached.

### Spreading work proves helpful

"THE Standard Oil Company of New Jersey certainly offered as many difficulties to the adoption of a division of work and wages as could be found in any organization and yet it has put the plan into effect without loss of efficiency and with beneficial results. It has kept employees whose jobs were endangered and taken on additional help. Other employers might well adopt the same procedure. While many industrial companies have realigned operations, the spreading of work by industrial, commercial and professional enterprises is still the most fruitful field for immediate increase in employment. General acceptance of this program would mean early restoration of confidence, and confidence means quickened activity in all lines."

There are, however, advocates of the five-day week as a permanent industrial policy. They urge it sometimes as a means of limiting production, sometimes as a means of increasing consumption.

Paul Mazur, the New York banker and author of "American Prosperity," "America Looks Abroad" and "New Roads to Prosperity" is one of the latter school. In his newest work, speaking of the advantages to be had if a five-day week were adopted, he says:

"To the 40,000,000 adult workers of the United States there would be suddenly given one added day of leisure

time per week that did not arise from unemployment enforced by a contracted industry. It is certainly obvious that the major consumption activities of the country take place during idle and not productive time. While people are working there is neither time nor inclination for consumption. A few necessary clothes, a little food, and the consumption requirements of most workers are satisfied. It is the leisure time of America that has developed the use of myriad products with which the American people can keep properly occupied in the hours of idleness. It is the leisure time that has stimulated a demand for proper home furnishing, automobiles, radios, clothes, and so on through the whole range of social activities and amusement.

"The five-day week would add nearly one-sixth to the present idle time of the workers. That, roughly, is equivalent to the theoretical importation of six million adults on whom is imposed the requirement of consuming without producing. Moreover, this increase in the amount of leisure time, instead of being distributed evenly and in small amounts over the week to be lost in the use of an extra hour now and then, would be concentrated into one full day of freedom from toil; one full day for the fulfillment of the activities of leisure, a day for picnics, games, gardening. The extra day promises to change the character of the nation.

"With a two-day week-end, the appeal of suburban and country life would be telling. Certainly it is not unreasonable to expect a huge migration to suburban and country life. Home building, automobiles, development of railway communication facilities, roads, lighting, telephones, and radios would be stimulated into feverish activities. The results in terms of dollars cannot be gauged beforehand, but billions, not millions would be the common denominator."

### Shorter week sought in Geneva

AT the International Labor Office in Geneva centers a movement for a week of five days of eight hours with no decrease in existing wages. That is planned to offset bettered production methods due to a higher efficiency on the part of the worker and to increasing use of machinery.

But these proposals for a five-day week as a permanent plan for industry can wait. What to do now and next year are the things that are engaging the attention of the Teagle and Litchfield committees.—J. W. B.





We have been setting the business barometer for "Fair"

# Business Goes Box Office

By ROBERT R. UPDEGRAFF

ILLUSTRATIONS BY DON MILLAR

**O**NE OF the highly interesting effects of the current economic situation is the development of an acute box office complex among business men. This healthy business symptom has several excellent effects, but among them is not a particularly comfortable mental condition for the patients. The complex is attended by headaches, suspicions and doubts.

On October 23, 1929, business suddenly "went dramatic." It has continued dramatic, with a high degree of that suspense which is the essence of drama.

In the theater the barometer of the drama is the box office. The whole theatrical industry is box-office-minded. The box office is more than a tiny cubicle behind a brass grill; it is a place where tickets sell or remain unsold. If the producer offers a play that the public likes, tickets sell; if he misses his aim, his tickets remain unsold. The box

**T**HE theater always faces the problem of meeting public tastes. In the present situation, business men can profitably utilize some of its methods in checking their own "productions" against the public's needs and likes

office tells the story, pleasant—or not.

The world of business, having gone dramatic, suddenly turned its attention to its own box office—the place where its goods and services sold, or remained unsold. It became box-office-minded—barometer-minded. For so many years it had been able to ignore the business barometer, giving it only an occasional glance of patronizing approval, that it had almost forgotten how to use a barometer. For a long time business men followed the method of the colored cook who, you

will recall, upon being questioned by her mistress as to whether she had been tampering with the barometer in the master's study replied, "No, ma'am, I ain't been tampering with it none. I jest set it."

"Just set it?" inquired her mistress.

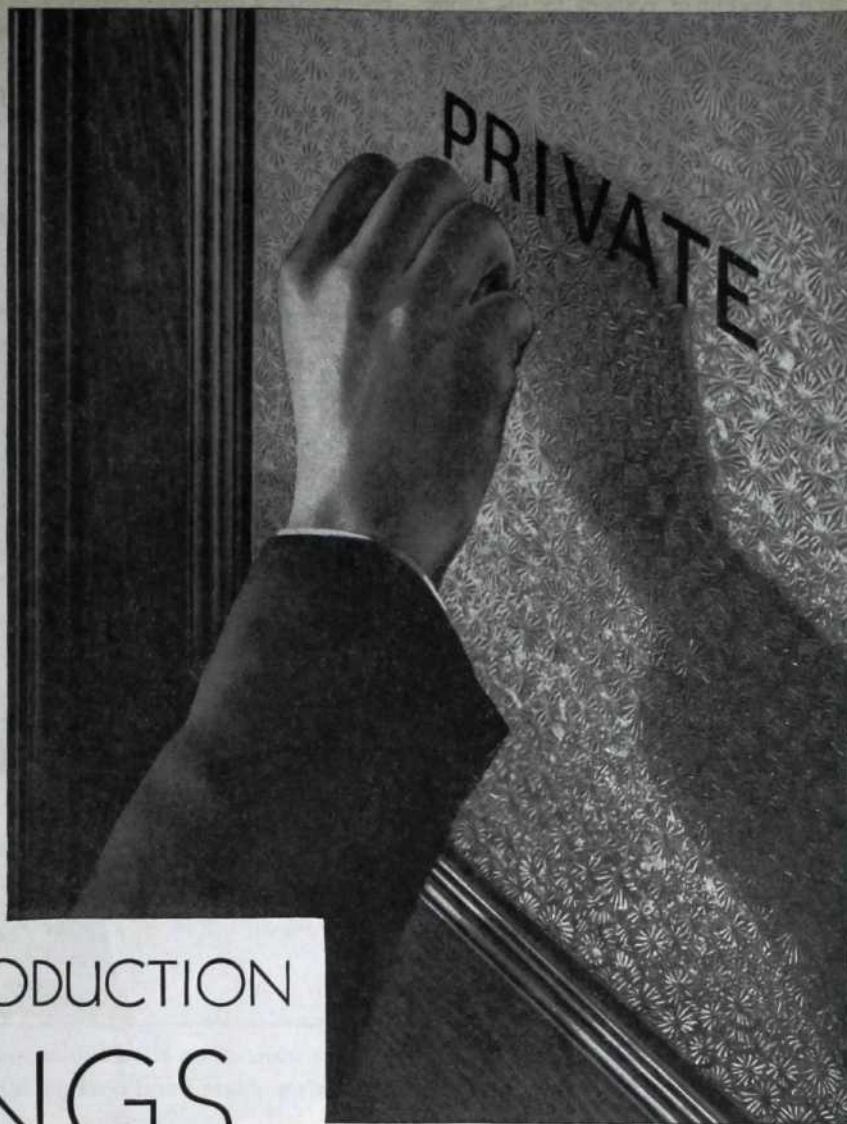
"Yes'm. Tomorrow's my day off and I jest set it for 'Fair.'"

Until about the middle of 1930 there was a good deal of "setting" the barometer for "Fair." But by then we had all pretty well learned that weather conditions control the barometer instead of the barometer controlling weather conditions.

This realization has tended to heighten our box-office-mindedness. We have come to doubt our own "productions." The man down the street seems to be putting on a more successful "production" than ours. He probably is not, but in our sensitive condition we are easily mis-







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led by the lurid posters in his lobby.

Your modern theater manager has learned not to be misled by the other fellow's posters. At nine o'clock one evening a few months since, I sat at dinner with the manager of a famous metropolitan motion picture theater in his private dining room. We fell to talking of films and their relative drawing power and, in particular, of two feature films then playing, one in his own theater and the other in his chief competitor's.

### Public approval

HE REACHED under the table and buzzed for his secretary.

"Bring me our 8:30 house count and the 8:30 house count for the Majestic," he said.

Three minutes later the secretary returned with the two figures. I found that two or three times each afternoon and evening this manager gets the house count of his own theater and of his principal rivals. Probably these figures are only approximations, but they are comparative, and they are more reliable than posters in the lobby or adjectives in electric lights as indicators of public approval.

In his own house the theatrical producer watches the box office for today's sales and listens in the lobby to the comments of his audience on its way out. When he changes productions he gambles on what the public likes—not what it "wants." There is no greater nonsense, in or out of the theater, than the thoughtless phrase, "What the public wants."

That shrewd American showman, "Roxy," disillusioned me on that point several years ago.

We were talking about the public and the theater and "Roxy" observed, "No manager can give the public what it wants because the public doesn't know what it wants until it sees it. Even then it only knows whether it liked what you gave it. It never wanted it in the first place."

The simple fact is that the public never spontaneously wants anything but food, clothing, shelter and perhaps leisure. The actual form in which these elemental wants are delivered has nothing to do with the public's wanting, but has a great deal to do with its liking them after they are served.

Applying this philosophy to business, it is only by developing some product or some service that enough people are likely to like, and then finding a way to locate these potential likers and tell them all about what we have to offer

them, that a successful business is built.

The present box-office-mindedness of business is evident in the loss of faith among many business men in the products and services they have been making—their "productions"; and in a hasty scrambling to imitate what they too readily assume to be the success of the other fellow. When the box office



A restaurant chain tried letting patrons eat all they wanted and charged 60 cents

receipts of our business fell off because of depressed business conditions, we were too ready to assume that the trouble was largely with what we produced.

Certainly it is good sense to check up every so often on one's business or "production" to make sure that it is still pleasing the public, for tastes do change over a period of years. A reasonable degree of box-office-consciousness is a decided success characteristic in any business man. It prevents him from going to sleep. But his attitude should be one of thoughtful challenging rather than of ill-considered changing.

Businesses with the germ of success in them are not built around machines or rows of retail counters or even around organizations. A really successful business is generally built around some simple but fundamentally sound idea. Analyze almost any outstanding enterprise and you will find at the root of it a germ-idea. This idea may have to do with some product or service of certain definite characteristics, or with some particular sales plan, or with some special unit of sale, or with any one of

half a hundred other idea-kernels.

You know the story of the retail clerk in a small town in northern New York who started a store based on the idea of selling nothing which cost more than ten cents. The red-hued fronts on the Main Streets of America are ample evidence of the virility of his idea.

A young man just finishing college decided that he wanted to build a business having something to do with automobiles. After analyzing various services and appliances he finally settled on the spark plug as a likely item. He set out to make just one thing—a better spark plug than any then being made. He stuck to that idea and soon developed a business of national proportions.

Some years ago a man started to build a business in teas and coffees and spices, selling from house-to-house from a wagon and giving premiums with his products. So well did the public take to the idea that the business he started now regularly operates more than a thousand motorized "wagon" routes.

Another man started out with the idea of building an automobile that the "average man" could afford. Today he is one of the world's richest men.

A retail clothier, approaching old age and discovering that his two sons took no interest in his store, decided to sell out. To dispose of his stock rapidly, he marked every suit in his store down to one price, a real bargain price. Business began to boom. His sons became interested in the magic of that particular price. Today, I am told, they operate 70 stores selling suits at a single price.

Countless stories could be told of men who have built substantial enterprises founded on simple ideas.

### Abandoning successful ideas

BEHIND these idea-pioneers follow the imitators. Comparatively few of the imitators duplicate the success of the pioneers; they copy the visible form of the idea but often miss its underlying philosophy. Frequently, too, they lack the pioneer's stubbornness in sticking to his simple idea.

One reason why so many established businesses peter out when they fall into the hands of the second generation is that sons are prone to look with disdain on the "old-fashioned" ideas their fathers started with; they want to "bring the business up to date." This in itself is commendable. A business must



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For a demonstration . . . or for complete information . . . telephone the local Burroughs office or write to the BURROUGHS ADDING MACHINE COMPANY—DETROIT, MICH.

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**TO PRINT CR BALANCE**—If the total of subtracted amounts is greater than the total of added amounts, the machine computes and prints the credit balance, automatically designating it (CR).

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be kept modernized if it is to endure; but, in the process of modernizing, they too often get away from the germ-idea which has been the secret of success.

Every business man knows what pressure is brought to bear on him to alter his fundamental idea.

On the other hand, as already suggested, business must progress, and progress often leads to the expansion of lines and the modernization of methods, as it properly should. But it is well to be certain that, in doing this, we do not junk the germ-idea of the business.

### Holding out for the idea

I RECALL, one morning when the World War was at its height, talking with the head of the ten-cent store corporation already mentioned. He told me that his chief job, and perhaps his major service to his company just then, was to resist the tremendous pressure from his organization to break over the ten-cent top price because of the difficulty, for the time being, of obtaining items to retail at ten cents. But he conceived the ten-cent top price to be the germ-idea of that business and he steadfastly refused to be talked out of it. His company has stubbornly clung to that germ-idea until quite recently, when a change was indicated.

A famous magazine editor used to advise would-be contributors not to study his magazine to ascertain what kind of stories he wanted, because the fact that he was publishing these stories today meant that he wanted a different kind for tomorrow, since the public would presently tire of any particular type of story. This editor was box office shrewd. He reckoned consciously with the factor of satiety. Satiety (or idea-obsolescence) is a very definite business hazard, which operates at all times and in nearly all lines of business. That is why business men should periodically challenge the germ-ideas behind their enterprises. Also, it is wise to search continually for new idea-shoots to graft onto the old germ-idea.

A well known metropolitan restaurant chain recently set out to discover just what and how much people would eat if left to their own appetites without dictation from their pocketbooks. It set aside a number of its restaurants as laboratories. These restaurants offered patrons all they

could eat for 60 cents, without restrictions.

What this restaurant chain has learned is no part of this article. But the experiment itself is interesting as a method of relating a business to the changing tastes of the public. This is one phase of the present box-office-consciousness of American business.

A manufacturer of men's shoes recently sent out an investigator not connected with his business, in fact not hampered by any knowledge of the shoe industry, to call on shoe merchants all over the United States, from those operating the humblest stores in country towns to the proprietors of the most exclusive avenue shops. This man sells nothing, and he is not trying to find out anything in particular. His instructions are:

"Resist conclusions. Just pile up impressions and let them shake down in your mind until they germinate into convictions."

This manufacturer is likely to develop a new germ-idea that will meet tomorrow's shoe mood and mode.

The whole front-office executive force of a large eastern manufacturing corporation, from the president on down, is taking to the road this season with sample cases, each traveling for two weeks, selling the company's line to its customers, and prospecting for new outlets. The purpose is not immediate sales so much as it is to check the germ-idea of this business. It is a box office move.

The head of a large western department store recently employed an observer to wander around his store watching and listening to shoppers. His instructions were:



We have come to doubt our own productions. Our competitor seems to be doing a better job

"As each customer you have been observing turns away from the counter, ask yourself, 'How much would I give for this store's chance of serving that patron again—and why?'"

This retail merchant is applying the "listening in the lobby" method.

If such box office investigations were extended to all businesses, many would discover that their germ-idea, while still fundamentally sound, needs revision to fit into a modern world. Many apparently worn-out basic ideas would do yeoman service for another decade or two if translated into modern terms.

Right along this line, I should like to call attention to the meat of a paragraph tucked away in the impressive two-volume report published back in 1929 by the Committee on Recent Economic Changes. The point developed is that this is not a new economic era, nor an era of fundamental change; that developments such as formerly affected old industries merely recur in new industries. Or, more simply, most of the new phenomena we face in business are merely old phenomena under new names.

### Consumers' inventories

FOR example, when the depression hit us in 1929 we were all fooled by a new term. We said that the depression would not last long because inventories were small. But we failed to take into account the fact that, since the previous depression, a huge wave of instalment selling had put millions of dollars' worth of merchandise into people's homes, and that, for all practical purposes this was inventory, as truly as if it had been on dealers' shelves or in factory or jobbers' warehouses. But it was inventory masquerading under a new name.

Right now many other familiar phenomena probably are masquerading under high-sounding new names. Until we chase these into a corner and unmask them, we shall continue to be deceived.

The problem of tomorrow is to relate the old ideas on which our businesses are based to the breadth and scale and tempo of today. We may well be box-office-minded about this and take appropriate steps, as we go about rebuilding our particular segments of our national prosperity, to check our enterprises against the needs and likes of the 1932 public.



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## Metropolitan Life's contracts afford a means to

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**T**HERE is all the difference in the world between being comfortably housed in somebody else's property and having a home of your own.

Your wife will have keen pleasure in expressing her personality in your own home. You will enjoy helping her to carry out the plans you both have made. And you will have the added satisfaction of knowing that all the improvements you make will add to the value of your own property.

Your children can be brought up in the neighborhood of your own choosing. It is a great advantage for children to gain their lasting, early impressions

in a real home that you have helped to build.

Perhaps you, like many another man desirous of having just the right kind of a home, found it convenient to pay part cash and to give a mortgage for the balance of the cost.

Ask a Metropolitan Field-Man to show you a sound plan by which your family will be protected against foreclosure of the mortgage if you do not live to pay it. You will have a new and happy sense of security when you know that the home you love cannot be taken away.



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"The little Brake-O-Meter gave me the danger signal. I didn't realize just how UNSAFE my brakes were until I made the test."

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Here is an illustration of the J-M Brake-O-Meter. By placing it on the window sill or floor, flat against glass or door, and making certain tests (explained in detail on Brake-O-Meter) this device tells you accurately whether your brakes are good, fair, or poor. In the latter case, visit your nearest J-M Brake Service Station. Here complete service is available.



When writing to JOHN'S-MANVILLE



# to HELP SAVE LIVES ?

Over 50% of motorists today driving with bad, even hazardous BRAKES, survey shows. Necessary adjustment and repair work being neglected *far beyond point of safety*. As aid to situation, Johns-Manville offers to supply you with BRAKE-O-METER, free upon request, urging every motorist to

## TEST HIS BRAKES AT ONCE

**N**OBODY questions the fact that this is a year of economy. For almost everybody. Most of us have to watch our dollars—and our pennies, too—pretty carefully these days. And that's all right.

But we can go too far. You agree it would be false economy to neglect your health, don't you? Or to let an insurance policy lapse?

But *what about the brakes on your car?* That may be endangering your life. Your wife and children. Your fellow motorists.

The alarming fact is, according to a recent survey, that over 50% of the motoring public in this country today are driving with bad, even HAZARDOUS brakes.

More alarming is the fact that a greater percentage of these same motorists are delaying from 2 to 3 months longer than usual before going to a brake service station and having urgent brake work done.

Is it any wonder that the *seriousness* of motor accidents is increasing?

Is it any wonder that figures indicate that the number of killed and injured in motor accidents is mounting to staggering and ever-increasing totals this year?

Is it any wonder that Safety Leagues and accident prevention clubs, and fear campaigns are sweeping over the

entire country, from coast to coast?

### Brake Experts Agree

Brake experts in different parts of the country all agree on this one point—the majority of motorists are endangering their very lives—and the lives of other people—because of bad brakes that demand immediate attention.

The other day we talked to a prominent brake service man in Albany, N. Y. "If I could make just one statement to the motoring public," he said, "it would be, 'For goodness' sake, do something about your brakes—now.'"

"Over 40,000 cars go by my shop every 48 hours," he continued. "One day I made a careful check. Half of them couldn't even stop at the red light on this corner. They'd go from 10 to 30 feet before they could come to a halt. What will they do in an emergency?"

What will you do in an emergency?

### Write for J-M Brake-O-Meter today

This is not the time for you to take chances with your car. If you need brake work, go to your nearest J-M Brake Service Station without delay. At least your car will be under control in an emergency, whether the other fellow's is or not.

Don't take a chance even if you think your brakes are in good condition. Johns-

Manville offers you a simple little device that will tell you *exactly* how safe your brakes are. It's the new J-M Brake-O-Meter . . . free upon request. A 1¢ postal card brings it to you immediately.

Write today for this Brake-O-Meter. Invest 1¢ to HELP SAVE LIVES and join with the thousands of motorists all over the country who will see the wisdom in testing their brakes at once.

Address Johns-Manville, 292 Madison Ave., New York City.

### DRIVING FACTS to know about and think about

The increased speed and power of today's car have increased the seriousness of motor accidents.

85 out of every 100 accidents resulting in deaths occur under clear weather conditions.

The force required to stop from any given speed is 6 times as much as it takes to attain this speed.

Most accidents occur in broad daylight.

The most dangerous hour is between 5 and 6 o'clock on Sunday afternoon.

All 4-wheel brake cars should be able to stop in 25 feet or less at 20 miles per hour, yet only 40% can do so.

An automobile going 60 miles an hour strikes an object with an impact as great as though it had been driven over the edge of a 10-story building and had crashed to the pavement 120 feet below.

In 81% of all mishaps the roads were dry.

The difference of only 2 or 3 thousandths of an inch (the thickness of a piece of ordinary writing paper) in the clearance between brake lining and brake drum may be the difference between safe brakes and brakes that will fail you in a pinch.

# Johns-Manville



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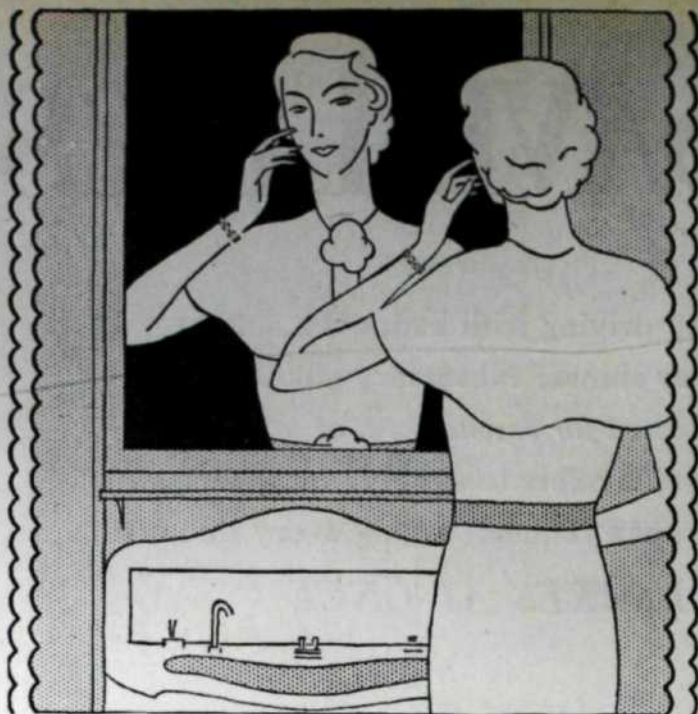
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**EVERY CAR ALL THE WAY**

WESTWARD (Read down)

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8:45 AM Ar. Cincinnati	Lv. 6:01 PM	
10:50 AM Ar. Louisville	(CST) Lv. 1:30 PM	
10:45 AM Ar. Indianapolis (Big Four Ry.)	Lv. 2:10 PM	
3:00 PM Ar. Chicago	Lv. 10:05 AM	
4:45 PM Ar. St. Louis	Lv. 9:04 AM	

**CHESAPEAKE and OHIO**

*When making reservations on THE GEORGE WASHINGTON please mention Nation's Business*

## Can Our Unemployed Find Refuge on the Farm?

(Continued from page 19)

tion. They would take their place with marginal and sub-marginal producers, a class already far too numerous, and constituting at present perhaps the greatest single menace to agricultural prosperity.

Why "menace"? Because these outer-fringers, who never make any real money for themselves, even in the best of times, manage to produce the "little extra" that comes to the market and converts "just enough" into an agricultural surplus causing prices to sink to a point where even low-cost producers can barely make a profit.

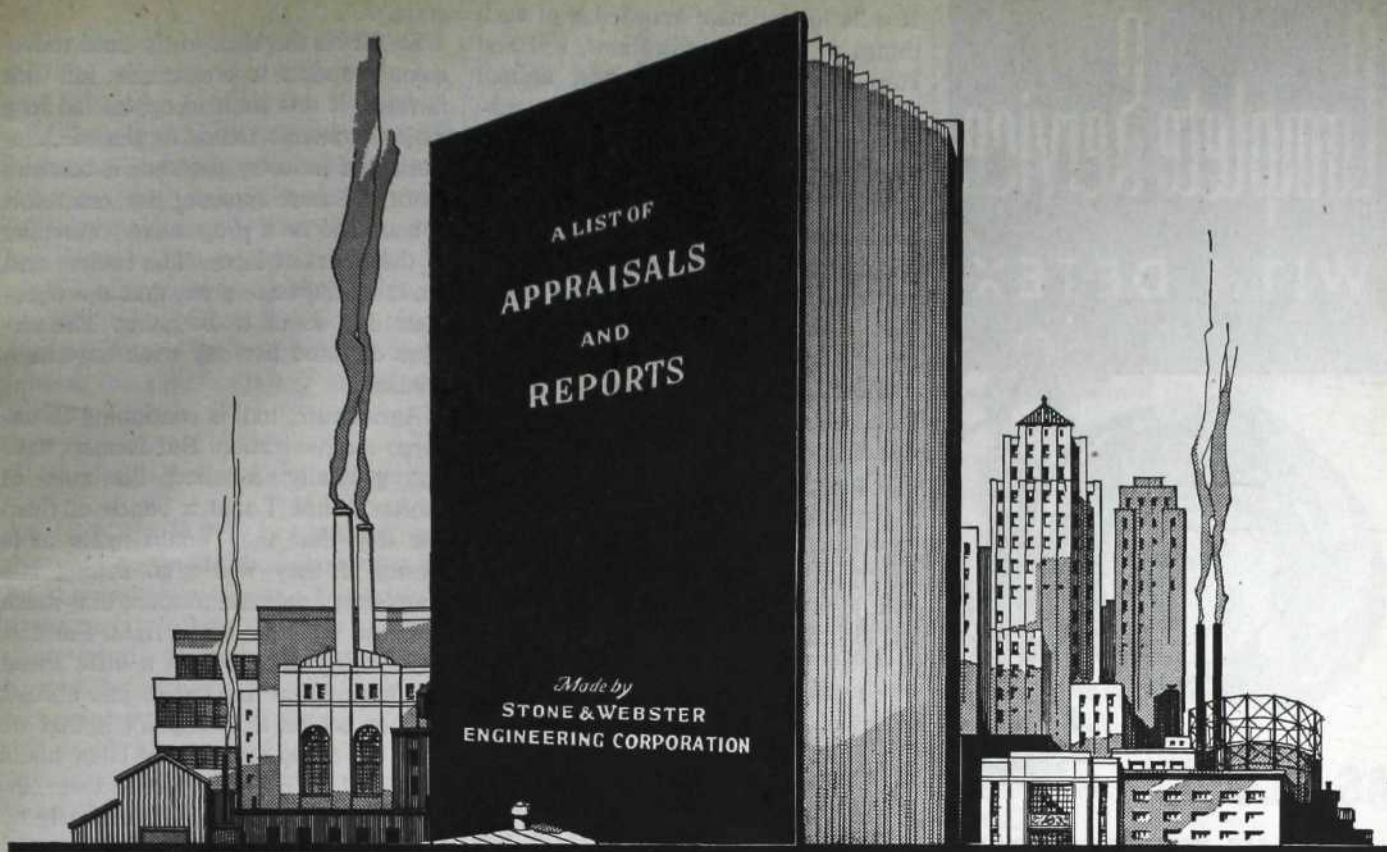
### Not a good farmer

I WANT you to ponder the fortunes of such a family. Jim Harrison (which is not his name) was a house painter in Chicago, city-born and city-bred, as were his wife and their three children. Jim was out of work all winter, and when spring came there were only now-and-then jobs to look forward to, and few of them. The Harrisons owned a second-hand automobile, some furniture, and a few hundred dollars. They gave up their apartment, sold as much of the furniture as they could, piled the rest of it into the car, and started out to see where the sun rises. They passed hundreds of idle farms. One, away back in the Virginia hills, captured their fancy. Here they lit and started to "farm."

They have been there ever since, the better part of two years. They have a pig, some chickens, a cow. The cost of these, and of seed, and of hiring some plowing done, together with various odds and ends, has eaten up most of their money. Being so thoroughly broke that they can hardly buy gasoline to get away, they have discovered at last that they are not cut out for farming. They do not understand their neighbors, nor do their neighbors understand them. They miss movies and pavements horribly, and the only compensations are endless hours of uncongenial, unprofitable work, required to keep body and soul together. They have sold a little produce. They are surviving, but at a terrific price.

What too few city people comprehend is that farming is a complex business. It calls for specialized knowledge of high school or college grade along a number of lines, including biology and





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Properties appraised by us have an aggregate value in excess of Seven Billion Dollars.

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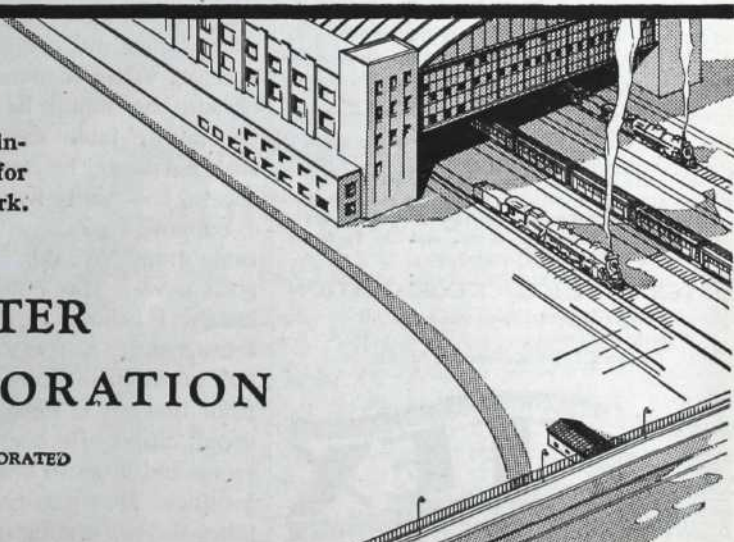
For information on how we can assist you, address 90 Broad Street, New York.

The list of Appraisals and Reports includes the names of 998 companies for whom we have done this kind of work.

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But the accidents of use are still common in this world of ours—then another phase of Detex Service comes into action to preserve, and restore the continuity and accuracy of the record. Lift the phone and call the nearest Detex Agent or Factory Branch—wherever you are located in United States or Canada—a loan clock can be sent immediately—it is the aim of this company to have a loan clock in the hands of any customer within 24 hours—in less time than that in the industrial and metropolitan centers. The times are few indeed—where transportation is so limited that this cannot be done.

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chemistry. It calls for mechanical skill. It calls for intimate knowledge of such things as weather indications, soil and crop conditions, insect pests, animal diseases, and a hundred and one subjects which there is no way of acquiring except by patient, first-hand experience. It calls for strength and willingness to do a large day's work of manual labor. In addition, the really successful farmer has to be something of a business executive, a sales manager, a shrewd purchasing agent, and a fairly expert accountant. Besides, he ought to have a wife who has a sympathetic understanding of farm life, and who will be a help to him.

Farming is no business for the inexperienced and untrained to go into lightly at any time; especially not now, with agricultural markets in their present disordered condition.

### As a part-time farmer

NOW, let's do a little supposing. Take the Harrison family first. Suppose Jim Harrison had hunted up a little place 20 or 30 miles from Chicago. A few acres, possibly, or maybe only part of one acre, with a decent house, and space for a garden, some fruit trees, and a hen yard. The kind of place a man can take care of mornings and evenings, if necessary, or with an occasional full day in the season. Plenty of places of this sort can be found within easy reach of most big cities. They do not cost much to rent or to own.

Settled on such a place, Jim Harrison would not have lost touch with his old life completely. He could still have kept a finger on conditions in the building industry, retained a nodding acquaintance with the employers who used to hire him. For a while he might find comparatively few jobs of house painting. But he would not be out of reach when things did open. Meanwhile, his expenses would be reduced considerably, because he would be contributing to the family table with his hoe. From such a "ranch" he could take a sizable slice of the family living.

Suppose a good many people did the same thing. Wouldn't it be a pretty good move? This kind of back-to-the-lander, I believe, is worthy of all encouragement. Any man who gains partial subsistence for his family directly from the soil is likely to be a pretty decent citizen. He doesn't haunt speak-easies and learn to brood over his misfortunes. This part-time mode of life takes the worst sting out of critical industrial periods. Other advantages will occur to every parent. Children and

city streets *versus* children and green grass. . . .

So far as the back-to-the-land movement proposes to create new full-time farmers, it sets itself in opposition to a major economic trend. As the mechanization of industry proceeds it becomes more and more apparent that one result is bound to be a progressive shortening of the hours of labor. The twelve- and ten-hour days are gone, and the eight-hour day seems to be going. The six-hour day and five-day week have been predicted.

Agriculture, too, is continuing to undergo mechanization. But farmers have not generally followed the rule of shorter hours. I told a bunch of them one day that they would make more money if they would go fishing two hours every day and produce that much less, and I believe I was right. Farmers have nearly always been a little ahead of consumption, instead of just abreast of it or behind it. The point is that we have too many agricultural labor hours now, and we ought to reduce them, instead of adding to them enormously by importing new people to the farms.

It would work harm, also, if we added a great many new farms in the marginal class. Agitation is always more or less active to reclaim vast additional areas of arid land. Irrigable soil is proverbially productive after the water comes. Wherever this productiveness can be tapped cheaply, very good. Experience shows, however, that most reclamation requires costly engineering. The cost has to be prorated over the acres benefited. If interest and taxes are too high, in spite of big yields, that land may fall into the marginal class.

### Cheap land becomes expensive

IN CERTAIN localities down South a man can buy rich cut-over lands for five dollars an acre. That's cheap, but by the time he blasts the stumps and is ready to plow, that land generally stands him not less than \$30 per acre. So with irrigated land. You can whistle and they will make you a present of all the arid land you want, so long as there is no water and no way of getting it. But by the time they carry the water over the hill and down the ditches to your thirsty crop, that land costs you a heap of money.

If it costs \$150 or more an acre to bring arid land under irrigation, that cost must be added to the price of the land. That's too much of a handicap, when the land in question must compete with land that needs no irrigation. Plenty of Iowa's richest land can be



bought today for \$100 an acre, or even less.

The next ten or 20 years will probably see marked changes in the industrial-agricultural set-up of this country. There is little doubt that industrial centralization has passed its peak. Some industries may always have to operate in huge plants and large cities, but many others can probably operate to greater advantage in smaller cities, or even in the open country. Good roads, automobiles and the long-distance transmission of electric power make this feasible.

### Gardening may help workers

AS HENRY FORD has pointed out, there is a legitimate place in this picture for the part-time farmer. It is possible that many who have hitherto given all their time to farming will work part-time in factories. On the other hand, an increasing number of industrial workers will know what it means to rob their own melon patches and eat radishes of their own raising. So far as the city worker is concerned, there is no doubt that this will relieve to a considerable extent the economic strain and peril that result from absolute dependence upon the job at the shop. That is an unhealthy situation, as the present crisis has proved.

Although it is only one small step, it is significant in considering the back-to-the-land movement, that some companies have begun providing garden space for employees who want it. One corporation has leased upwards of a thousand acres in separate tracts in and about Chicago for "subsistence gardens" to be used by its regular employees who have been temporarily laid off. Experts have tested the soil. Supervisors help the amateur gardeners plan and work their plots. Each man gets about 7,500 square feet, which is considered ample to supply the vegetables needed for an average family.

I am told that the supervisor of one of these plots came across a young machinist laboriously digging up all his beans, which had just begun to sprout, and replanting them upside down. The supervisor wanted to know why he was doing that.

"The danged things came up wrong end to," said the machinist.

I always think of that story when the question is raised whether a garden or part-time farming program for industrial workers is not going to menace agriculture. The argument of course is that every bean grown by the part-timer is one less bean sold by the full-

# It tells your prospects "Where to Buy It"

Many sales are lost for one very simple reason: Prospects are unable to locate authorized dealers.

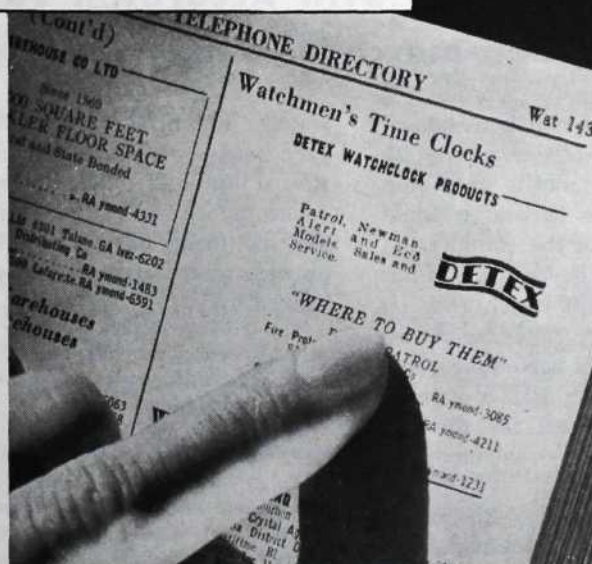
There is an effective way to prevent such losses. List your local dealers under your own trade name in classified telephone books wherever you have distribution.

Thus you make your dealers easy to find.

Plymouth, Sherwin-Williams, blue coal, Multi-graph are a few of the nationally known names now listed in "Where to Buy It."

Ask your advertising or sales counselor for full facts. Or write or telephone: Trade Mark Service Manager, American Telephone and Telegraph Co., 195 Broadway, New York (EXchange 3-9800) — or 208 W. Washington Street, Chicago (OFFicial 9300).

The advertisement below is one of a series now running in Saturday Evening Post, Collier's and Literary Digest.



## TELLS WHERE TO FIND AUTHORIZED DEALERS

No need to write the manufacturer to learn who handles a certain product. Look in your classified telephone book. You'll find many dealers are listed by brand names as well as by the type of product they sell. Names, addresses and telephone numbers.

Buick, Accurate Metal Weather-strip, Greyhound, Enna Jettick and others are listed in "Where to Buy It."





## A package Housewives appreciate



1. She can open this package without destroying the inner container.
2. The accordion fold enables her to firmly close the package again.

### HESSER "DOUBLE-PACK" with Accordion Fold

#### Offers decided merchandising advantages

Here is a carton which the housewife can open *without tearing the inner container*—and its accordion fold enables her to seal it again after a quantity of the product has been taken from the package. Thus she has a package which *keeps the contents fresh down to the last ounce*—and which will not permit the goods to sift out of the container onto her pantry shelf. These are things a woman appreciates—real merchandising advantages!

The machine which makes this unique package also weighs the product, fills the package and seals it, at the rate of 70 per minute.

The inner container is cut and formed from a roll of paper; cartons are fed to the machine flat and are formed around the inner container. When filled, the inner container and carton are sealed sep-

arately. This produces a *double package, doubly sealed*—a container that affords thorough protection against deterioration. The inner container may be made of glassine, Cellophane, waxed paper, or paper-backed foil.

The Hesser Double-Pack is ideally suited to coffee, tea, rice, barley, cocoa, sugar and similar products that are commonly packaged in cartons.

We will be glad to show you actual samples of the Hesser Double-Pack with Accordion Fold.

#### Bring your Packaging Problems to us

This is but one example of the great variety of packages produced by our machines—a line designed to meet practically every packaging requirement.

If you are seeking a better package to improve sales, or more efficient machinery to lower costs, consult our nearest office.

**Package Machinery Company**  
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timer. As I see it, there is considerable good and little harm in part-time farming. For one thing, gardening is hungry work, and the amateur farmer is pretty sure to eat more of his own vegetables than if he has to buy them; consumption is actually increased. On the other hand, the bulk of the amateur product is small, compared with the total.

One of the really scientific surveys of part-time farming was made a year or so ago in Massachusetts. Much of the Massachusetts soil is stubborn, and the land area in farms has been declining for several decades. Abandoned farms are thick. The study in question centered around the township of Holden. It was found that many industrial workers were using the inhospitable soil modestly for their own benefit. There were found to be 66 full-time farmers in the township, and 519 part-timers. The latter, with few exceptions, produced only such vegetables, poultry, and dairy products as they needed for their own families. Most of them formerly lived in cities. They said they cultivated their farms most extensively when unemployed. The soil, by patient and prodigious labor, has been brought in many cases to the point of producing fairly well. But the Holden part-timers are about as much of a menace to organized agriculture as the waves are to Gibraltar.

#### Money-making—sometimes

DOESN'T the amateur farmer get ambitious and try to make money out of his venture? Well, there's no law to prevent him. He most certainly can sell his vegetables and berries if he has more than he wants, and can find a buyer. The profit bug is perhaps most likely to bite him if he raises poultry. Let a man get him a flock of hens, and if he goes into it with any enthusiasm whatever, he is soon likely to find more drumsticks walking around than he and his family can eat. It may develop into a nice little pin-money side-line—or it may not.

I did hear some years ago of a young man who owned a couple of acres 30 miles from the Chicago Loop. He loved to plant things and make them grow, or to set eggs and hatch them. He raised chickens and squabs, tomatoes and other vegetables, and I understand he took as much as \$2,500 in one year off the little place. He devoted all his time to it, however, during the summer. In winter he was a Loop shoe salesman. Such a case is an exception. In general, the part-timer has very little more than his family needs.

The back-to-the-land idea, it becomes evident, is not one question, but two. It



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## International Trucks Save Money for Contractors, Builders, Dealers and You!

**N**OW'S the time to build that home you've wanted! Costs are down—way down. Since the peak period of 1926-28, they have dropped 25% to 40%. A house that would have cost around twelve thousand dollars five years ago can now be yours for less than eight thousand.

The present better housing movement endorsed by our Government and President has the practical backing of the entire building industry. Contractors, builders and dealers alike are now offering you economies unheard of since before the war.

Economy—rigid economy—is the need which has put International

Trucks into the foreground of the building picture! Builders who never used to keep account of equipment costs now watch every maintenance and operation penny. And this present-day need for low-cost trucking is finding its answer in International Trucks and Service for building material and lumber dealers, and for builders and contractors in every type of work.

Learn what International Trucks have done for other industries—and what they can do for you in yours. Whatever your business—its size or nature—you will find that there is an International to cut your costs.

There is only one way to estimate

The truck illustrated is the popular International Model A-6—a 5-speed, 6-cylinder, 3-ton job with stake body. The International Line is complete, with fast, light trucks for pick-up work, speed models, heavy-duty models, and trucks especially built for dump-truck work and semi-trailer service. Sizes range from  $\frac{3}{4}$ -ton to 7 $\frac{1}{2}$ -ton, and any chassis or body requirement can be met exactly.

*New low prices prevail on the entire line. The 1 $\frac{1}{2}$ -ton, 4-speed Model A-2, for instance, has been reduced to*

**\$615**

*for 136-inch wheelbase chassis f.o.b. factory (taxes extra)*

*International Company-owned branches at 188 points, and dealers everywhere.*

accurately the value of an International, or to judge the economies it will effect for you—pick out the model you want and put it to your test, *right on your own job*. Arrange this demonstration with an International branch or dealer. Write us for information.

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# INTERNATIONAL TRUCKS



# VOICES

## in the blue



Los Angeles to 415-H—  
"Your position and  
weather please."

415-H to Los Angeles—  
"My position over Beacon  
41-B, flying at 2700 feet.  
Ceiling unlimited. Visi-  
bility unlimited."

Los Angeles to 415-H—  
"Okay 415-H—Weather  
Los Angeles, ceiling 5000.  
Visibility unlimited."

**TWO-WAY RADIO**, a miracle when it was developed, is today an established feature of organized air travel. Guesswork is out.

As the pilot of an American Airways plane follows the beacons that mark his course, his nearest ground station is in constant communication; gives instructions and exact information on flying conditions ahead. Already it's an old story to the pilot; he is used to it. But for the passenger, this communication between plane and ground has added the final feeling of security—an intimate sense of being in touch with the alert organization watching his progress from below.

From Coast to Coast, from Canada to Mexico, the modern, comfortable air liners of American Airways, Inc., operate day-in and day-out, as regularly as clockwork. With every proved aid to flight, they have traveled more than 30,000,000 miles on their established schedules.

And they're not only dependable, but fast. The trip from New York to Los Angeles is made *with the loss of only one business day*. Chicago to New Orleans is cut from 21 hours (by land) to 9. On the longer trips

you save on an average of 66% in time, and considerable money in living expenses *en route*.

We invite you to make your next trip by American Airways, Inc., for a new kind of enjoyment in reliable transportation. Reservations and information are easily obtained from Western Union or Postal Telegraph, any leading hotel or travel agency, or at the local office of American Airways, Inc. Write for complete data to American Airways, Inc., 220 N. Fourth St., St. Louis, Mo.

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Albany	El Centro	Omaha
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Atlanta	Ft. Worth	Providence
Austin	Galveston	Rochester
Big Spring	Hartford	San Angelo
Birmingham	Houston	San Antonio
Boston	Indianapolis	San Diego
Brownsville	Jackson	Shreveport
Buffalo	Kansas City	Springfield
Chattanooga	Little Rock	St. Joseph
Chicago	Los Angeles	St. Louis
Cincinnati	Louisville	Syracuse
Cleveland	Memphis	Texarkana
Columbus	Monroe	Tucson
Corpus Christi	Montreal	Waco
Dallas	Nashville	Wichita Falls

# AMERICAN

# AIRWAYS, Inc.



**COAST TO COAST—CANADA TO MEXICO**  
**PASSENGERS—AIR MAIL—AIR EXPRESS**

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has to do, first, with the part-time farmer, whose main concern, as we have just seen, is to get himself a cushion against hard times. He provides part of his subsistence more or less successfully as he goes along, occupies his mind with worth while effort, has a relatively pleasant mode of life. He deserves encouragement, even from farmers, because he introduces a stabilizing influence into the economic life of the country; his part-time efforts help to fill up the "valleys" on the chart when industry takes a header. The second and less pretty part of the back-to-the-land picture has to do with creating a raft of new farms and farmers, particularly the wholesale transplanting of the city's unemployed.

### Radical experiments don't help

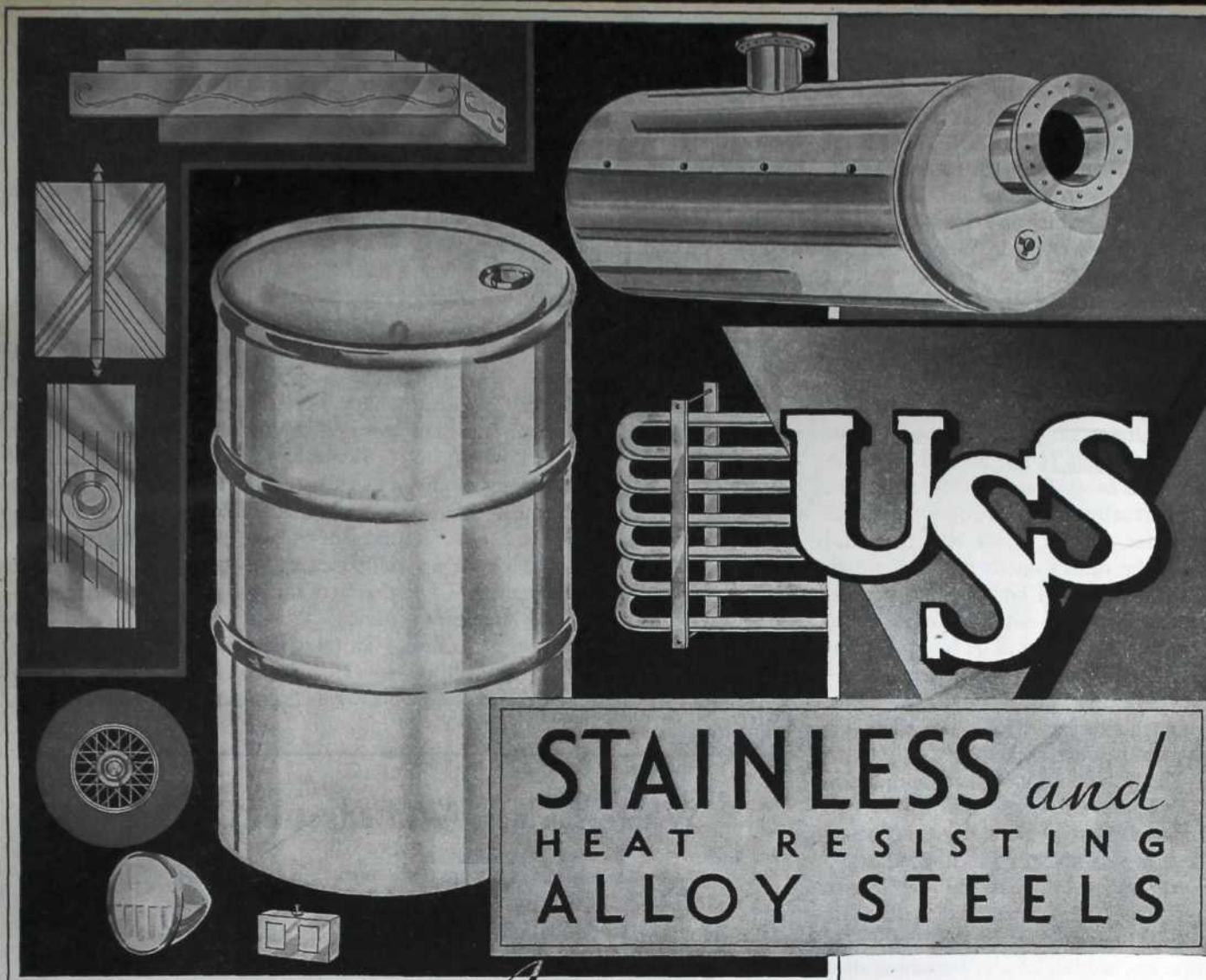
PROPOSALS of that kind undoubtedly arise out of a kind of hysteria peculiar to one stage of serious business depressions. There comes a time when some of the people lose their patience, conclude that hard times will never end naturally, and decide that something radical must be done to bring about change immediately. The danger is that the radical proposals, if they make any headway, will prolong the situation.

Depressions cure themselves by long, slow, unseen processes. Any man would be a fool to set a date for the ending of the present depression. But he would be a bigger fool to assume that it isn't going to end at all. It behooves us to avoid hampering the natural processes of recovery by fantastic and unsound experiments.

### Shipping Express By Air

**T**HROUGH the cooperation of seven large airlines and the Postal Telegraph-Cable Company the speedy aerial trails are now open to express shippers. Lines participating in the service, known as General Air Express, are American Airways, Inc.; Transcontinental and Western Air, Inc.; Eastern Air Transport, Inc.; Transamerican Airlines Corporation; U. S. Airways, Inc.; Pennsylvania Airlines, Inc.; and Ludington Airlines, Inc. A common set of forms, including a uniform waybill, has been worked out, and through rates are being quoted to inter-line points. The Postal Telegraph-Cable Company acts as the commercial agent, local telegraph offices accepting air express shipments and handling the special pick-up and delivery of shipments.





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**C**HARACTER suitable to the intended role, and modifications that are nicely governed with particular results in view—such are the advantages provided in the series of USS STAINLESS and Heat Resisting Steels as a result of long research and unsparing effort.

Name your field—industrial, chemical, refining, manufacturing, food handling, architectural, domestic—and your specific use, and the technical staff working with these special alloys will recommend a grade appropriate in cost and adapted to your need. New problems will be considered carefully in order that discriminating advice may be given.

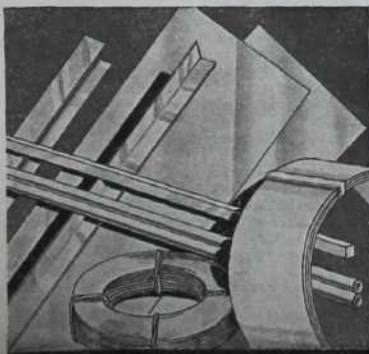
Write for informative booklet. Correspondence is invited by any of the subsidiary companies of the United States Steel Corporation whose names appear below:

AMERICAN SHEET AND TIN PLATE COMPANY, Pittsburgh, - Sheets and Light Plates  
 AMERICAN STEEL & WIRE COMPANY, Chicago, - Cold Rolled Strip Steel, Wire and Wire Products  
 CARNEGIE STEEL COMPANY, Pittsburgh, - - Shapes, Plates, Bars and Semi-Finished Products  
 ILLINOIS STEEL COMPANY, Chicago, - - Bars, Plates, Shapes, Special and Semi-Finished Products  
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USS 17	USS 18-12
USS 27	USS 25-12

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# On the Business Bookshelf

**A**LBERT L. DEANE, of General Motors, has evolved a plan to eliminate depression which is explained in "Investing in Wages—A Plan to Eliminate the Lean Years,"<sup>1</sup> written by Mr. Deane with Mr. Norton as collaborator.

The plan is, briefly, that employers shall pay approximately one per cent of pay rolls into a central fund which is to be drawn on when their work falls below normal. If the normal were declared to be 40 hours a week and work was actually 30, full wages would be paid for the 30 hours and the fund would be drawn on to pay half wages for the other ten hours. State boards, coordinated by a national board whose principal duties would be compiling statistics and handling the moneys of the fund as a trust, would equalize the number of hours worked in the various industries in their regions.

The principal purpose of the plan is the maintenance of purchasing power so that a depression should not, in theory at least, be able to get a good start. Since wages in mass are the largest component of the national purchasing power, the payment of half wages for time not worked at the beginning of a dull period should put the purchasing power ahead of production so that industry would shortly be back to normal.

"CONSUMER Engineering"<sup>2</sup> is a recently coined phrase to represent a business activity parallel with production engineering but intended to insure the selling of products in the best manner rather than their manufacture.

Consumer engineering does reach back to production, but it starts at the consumer's end of the distribution chain. Some years ago manufacturers made the goods their factories could produce and then tried to sell them. Of recent years there has been a tendency first to

see what goods can be sold most readily and then to plan production to that end. Messrs. Sheldon and Arens show what has been done along that line and indicate some of the things that may be expected in the future. One of their best chapters is on the solution of the wheat problem by consumer engineering.

"MEN, Money, and Mergers"<sup>3</sup> is in a way a misnomer. The book considers all these things, but it goes to the root of the subject and treats primarily of individualism *versus* government ownership.

Our industrial system has grown up under the school of individualism. Under this system mergers and large companies are natural under some circumstances. Socialists, who knock at this structure, forget that under their system

the companies would be larger and their businesses would be monopolous.

Mergers and large companies, when formed on a sound basis, eventually bring lower prices, better service, and a greater good to the ultimate consumer, who is, under the individualistic system, the final ruler of business.

Mr. Hoxie's association of men, money, and mergers is divulged in his chapter arguing that dead capital does not and should not get a rate of return equivalent to the return on capital that is well managed. On the other hand, he says, capital that is under the management of capable men deserves, and usually gets, a larger rate of return than the mere interest rate on the money invested.

In these days the principal matter of Mr. Hoxie's book is of great importance. Every business man might well read it.

## Where Business Will Meet in October

DATE	ORGANIZATION	CITY
3	American Institute of Marine Underwriters	New York
3	Society of Automotive Engineers, Production Meeting	Buffalo
3-5	International Association of Electrical Inspectors, Southern Section	Richmond, Va.
3-5	National Paper Trade Association of U. S.	Chicago
3-6	American Bankers Association	Los Angeles
3-7	National Safety Council	Washington
3-7	National Restaurant Association	St. Paul
3-7	American Welding Society	Buffalo
Wk. of	3rd. American Society for Steel Treating	Buffalo
4-6	Society of Automotive Engineers, Transportation Meeting	Toronto
4-7	National Selected Morticians	Atlantic City
5-7	Direct Mail Advertising Association	New York
6-8	National Association of Bakers Supply Houses	Chicago
6-8	National Electric Light Association, Great Lakes Div.	French Lick
10-12	Association of Electragists	Kansas City
10-14	American Institute of Electrical Engineers	Baltimore
10-14	American Gas Association	Atlantic City
13-15	American Photo-Engravers Association	French Lick
13-15	American Hotel Association	Memphis
17	Federation of Mutual Fire Insurance Companies	Columbus, O.
17-20	National Hardware Association of the United States	Atlantic City
17-20	American Hardware Manufacturers Association	Atlantic City
17-20	National Association of Mutual Insurance Companies	Columbus, O.
17-20	United Typothetae of America	Cincinnati
17-20	Laundryowners National Association of U. S. & Canada	Toronto
17-22	Dairy and Ice Cream Machinery and Supplies Association	Detroit
18-19	American Institute of Accountants	Kansas City
18-20	American Railway Bridge & Building Association	Toronto
18-22	American Institute of Steel Construction	White Sulphur Springs
19	Cotton Textile Institute	New York
19-21	Greeting Card Association	Chicago
19-21	National Association of Farm Equipment Manufacturers	Chicago
20	National Advisory Committee for Aeronautics	Washington
20-21	Tanners Council of America	Buffalo
20-21	Audit Bureau of Circulation	Chicago
20-22	Refrigeration Machinery Association	Detroit
20-22	International Association of Ice Cream Manufacturers	Detroit
22-26	Investment Bankers Association of America	White Sulphur Springs
23-26	National Association of Commercial Organization Secretaries	Memphis
24-26	Mayonnaise Products Manufacturers Association of America	Boston
24-29	Outdoor Advertising Association of America	French Lick
25	Insurance Institute of America	New York
25	New England Milk Producers Association	Boston
25-28	Associated Master Barbers of America	Tulsa
26-28	National Retail Lumber Dealers Association	Louisville, Ky.
27	Association of Railway Electrical Engineers	Chicago
31-11/2	National Fertilizer Association	Atlanta
31-11/3	American Face Brick Association	French Lick
31-11/3	Face Brick Dealers Association	French Lick

Secretaries of national trade associations are urged to notify Nation's Business of their coming meetings. Notice of conventions should reach Nation's Business at least 30 days before date of publication of the issue in which they are to appear.

<sup>1</sup>Investing in Wages, by Albert L. Deane and Henry Kittredge Norton. The Macmillan Company, New York, \$1.75.

<sup>2</sup>Consumer Engineering, by Roy Sheldon and Egmont Arens. Harper and Brothers Publishers, New York, \$3.50.

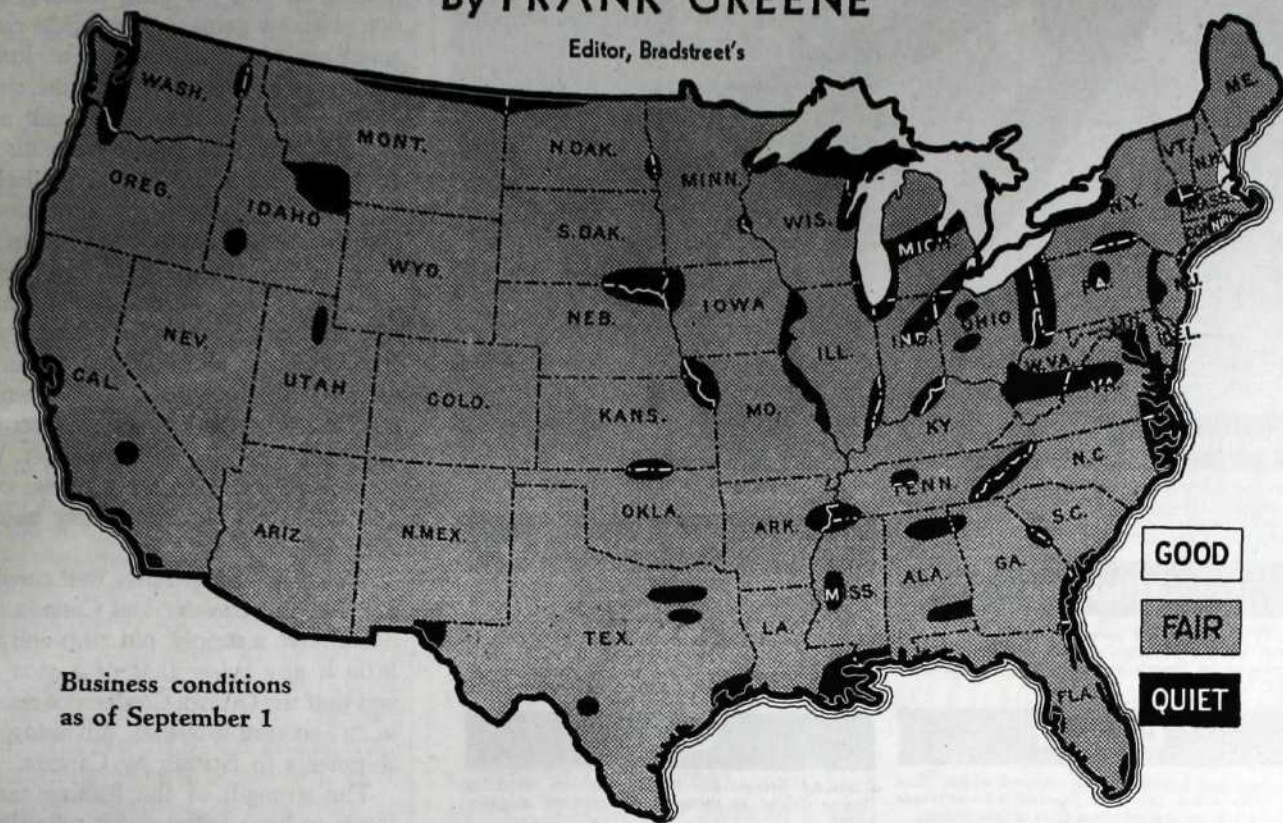
<sup>3</sup>Men, Money and Mergers, by George L. Hoxie. The Macmillan Company, New York, \$2.



# The Map of the Nation's Business

By FRANK GREENE

Editor, Bradstreet's



Business conditions  
as of September 1

**BUSINESS** improvement, first noted in June and July, swept forward on a broadened front and at an accelerated pace in August, with the lighter industries leading the advance

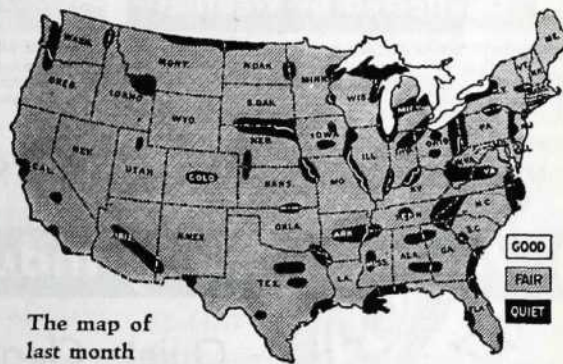
**A**UGUST saw June's first business advances and July's marked movements upward accentuated and even exceeded. The doubling of stock prices, the one-third advance in bonds and the 60 to 80 per cent advances by some leading commodities, especially live stock and their products and textiles and nonferrous metals, will probably make those three months memorable in the history of the Great Depression.

Some may date this revival farther back but the fact remains that the first definite upturn in the commodity-price indexes was registered as of July 1, while first real upturns in bond and stock averages appeared in June.

The most acceptable reason for this showing of strength seems to be that a number of bright men with money to back their opinions decided that bonds, stocks and commodities had been beaten down below their intrinsic values. There was nothing for these markets to do but rise at the magic touch of buying. Regardless of the speculative extent of the movement and of whether a reaction is likely, the fact remains that all three groups rose.

The rise gave courage to others to buy or sell, or, as regards commodities, to work them up into finished products for still others to buy or consume.

The course of the markets in the three-month period seems to have been in keeping with normal practice after a



The map of  
last month



The map of  
a year ago

Eleven out of 13 groups of commodities showed gains in August, while the general price level advanced to seven per cent above the June 1 low



# Why Diamond Saves on Every Drive

Typical Multi-Strand Diamond Chain Drive



## Permanent Speed-Ratio

Diamond Roller Chain Drives are positive—cannot slip nor creep. Speed-ratio between machines or units of machines can never change. . . . Production stays at the top.

## Efficient

98%-99% of applied power is delivered to the driven shaft continuously—their efficiency is not decreased by length of service. . . . There is no "lost" power.

## Compact

Requires less space, diameters and width, than any other drive, per h. p. transmitted—wherever centers are separated more than a few inches.

## Unaffected by Weather

Dependable under any or all weather conditions. Too, they can be supplied, made of special corrosion, or acid resisting materials for unusual applications.

## Flexibility of Application

Lengths of chain can be selected to meet your center distances. Ratios as high as 9:1 and in some cases even higher are practical. Diamond Roller Chains run over or under sprockets in either direction—can be applied to internal drives because installation and replacement can be made without dismantling of the machine.

## Quiet

Diamond Drives are quiet—they are used as Timing Drives on some of the costliest automobiles!

## Drives in Stock

Drives for all usual needs are carried in stock in leading industrial centers. Write for Booklet No. 102-B, Diamond Chain & Mfg. Co. 417 Kentucky Ave., Indianapolis, Ind.

depression had forced prices downward.

The surge forward of commodity prices alone in August will make that month memorable. This, the third consecutive gain over the usually quiet summer period, advanced the general price level 5½ per cent, making, with two previous gains, an aggregate rise of seven per cent from the low of June 1. Additionally interesting was the rise of 11 out of 13 groups. Live stock alone receded after its pioneer advance of June. Advances outnumbered declines in individual articles by four to one, textiles leading in number of gains and showing an increase of 16 per cent for the group. This was due to the marked rise in raw cotton and cotton goods, raw wool and silk. Nonferrous metals, unaided by iron or steel, rose ten per cent. Early in September steel scrap, a barometer metal, became stronger. Winter wheat, cotton, cotton goods, coffee and crude petroleum are now above a year ago.

Wheat has acted fairly well considering that this country and Canada combined have a supply, old crop and new, little if any below that of a year ago, and that the Ottawa Conference resulted in a six-cent-a-bushel advantage on shipments to Britain by Canada.

The strength of the leading textiles seems to have found quick reflection in reports of resummptions of mills or additions to forces already at work. In addition, the shoe, leather and tobacco trades report activity.

The big basic industries, such as iron, steel, coal, automobiles, lumber and building, did not move as the lighter industries did. Steel marked time although activity was predicted for September.

Retail trade, surfeited with reduction sales and retarded by unusually hot weather, reported better business late in August. Further improvement in this line seems to depend upon stepping public purchasing power up to meet the unquestionably larger factory output apparently impending.

## Seeks Accuracy

HENRY FORD always requires that any interview with him be submitted to himself or his secretary for approval before publication, but he insists that this is done with no thought of trying to restrict what the interviewer would like to say about him, so long as he is accurately quoted. His idea is that, knowing the interview will be submitted, and that therefore he has no fear of being misquoted, he can talk much more freely and frankly.—F. C. K.



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## Blazing the Trail To Prosperity

(Continued from page 28)

our faith in the soundness of business. A public utility must anticipate the requirements of its customers and be prepared to supply them. . . . We look to the future with optimism . . . and our policy of expansion gives expression to that confidence and belief."

The repercussions of this courage will reach far beyond Philadelphia—it will eventually mean work for 800 men on the job itself, and employment elsewhere for men in plants turning out the articles and materials needed for a 165,000 kilowatt station, the share of the Westinghouse Company alone amounting to \$1,750,000. By such hearty fillips of faith the latent confidence of the nation will be stirred to an awareness of its own invincible power.

When International Business Machines Corporation began construction of new laboratory and school buildings at its Endicott, N. Y., plant, Thomas J. Watson, president of the company, said, "The turning of this ground marks the turning point to a new era, an era of more important development and greater progress for International Business Machines Corporation."

"It will not only give added employment to the people in this vicinity, but as a result of the machines designed and produced here and sold all over the world, it will provide employment for people in all countries. The increased business resulting from new machines conceived and produced here will also increase dividends to our stockholders."

Let the impulse of ideas fail, and the disintegration of plant, organization, and markets begins. There is no immunity.—R. C. W.

## National Honey Week

THE American Honey Institute is sponsoring National Honey Week, November 7 to 12. A preliminary report shows the mobilization of governmental agencies, food companies, and food publications in promoting the campaign to increase the use of honey.

With a better than usual honey crop this year, the work of the American Honey Institute promises to be a splendid example of how a trade association can, by cooperation, further the use of its product.



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Write for Booklet 1M, "Bakelite Molded", which further describes this material, its properties and uses.



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## The Tax Fight Has Just Begun

(Continued from page 24)

phia, 277 per cent; in Detroit, 1,330 per cent; in Boston, 163 per cent; in San Francisco, 388 per cent.

The funded debt of the City of New York has increased from \$794,930,288 in 1910 to \$2,246,100,994 in 1932, and the funded debt of the City of Detroit has increased from \$23,513,064 in 1918 to \$349,567,000 in 1932, or 1,487 per cent.

Because of Illinois' constitutional limitation, the funded debt of Chicago has not increased so rapidly but the tax levy has far outstripped the city's growth.

### Economy has barely started

**WITHOUT** going further into the facts, I submit it is apparent that the situation is desperate and requires the serious consideration of every thoughtful citizen. The efforts toward retrenchment made by the President and the Congress at the last session were only a start. No major extravagances, such as veterans' allowances, post office patronage, superfluous army posts, unneeded naval store stations, duplicate offices and personnel in foreign countries, unnecessary commissions and boards, were affected to any appreciable extent. Even the start was made on a tentative and temporary basis. Unless the situation is carefully watched, the pay cut provisions will lapse at the end of this fiscal year without further action. Unless there is vigilant care, many of the appropriations which were reduced will grow again by way of deficiency bills or new appropriations.

The truth is that many congressmen are only half convinced that the country wants economy. They refuse to go so far that they cannot retrace their steps without appearing to be inconsistent. I do not mean that the congressmen are disloyal to their constituents but I believe their ears are much better attuned to the persistent wails of the job-hunters than to the less frequent voices of the taxpayers. I believe the public is becoming thoroughly aroused as to the seriousness of the situation and that the votes of the taxpayers in the coming election will far outnumber those of the tax-eaters.

I submit that, before the next session of Congress, business men should marshal their forces individually and through their local and national chambers of commerce, to insist that the



costs of government can and must be reduced; that legislation must be enacted to make permanent the reductions of personnel expenses which have been made effective only for the emergency period of one year; that the President must be given more power to reorganize government departments, bureaus, commissions and other independent establishments; that legislation must be enacted to abolish flagrant and obvious abuses respecting payments to veterans, and that steps must be taken to bring about a constitutional amendment giving the President authority to veto specific items in appropriations.

Efforts to these ends must be exerted by taxpayers and business men, who can and will, if they give their attention to the subject, easily meet the specious arguments of the politicians and job-hunters.

While the business man and taxpayer can do much as an individual, he can do a great deal more by cooperating with his local chamber of commerce and with the Chamber of Commerce of the United States, which, in my opinion, has, during its 20 years' existence, more effectively promoted and protected the interests of business than any other agency.

## A Squawk from the Petroleum Goose

(Continued from page 21)

age annual earnings on investment during this decade were only 2.98 per cent. In 1930 they were only 1.65 per cent. In that year the industry had net earnings of \$165,000,000 and paid \$668,000,000 in taxes—four times as much taxes as net earnings.

Class I railroads were tentatively valued by the Interstate Commerce Commission as of December 31, 1930, at \$21,691,000,000, and in that year their tax accruals were placed by the same authority at \$353,000,000; that is, the railroads paid \$353,000,000 taxes on an investment of \$21,691,000,000; while the oil industry is to pay this year \$900,000,000 on an investment of \$10,000,000,000. On each \$100 of investment the railroads paid \$1.62; the oil industry pays \$9.09.

Of course it will be said that the oil industry doesn't really pay the gasoline taxes; the consumer pays them. True, and the railroads by the same token don't really pay taxes; they just collect them from the consumer of freight and passenger service.

We have been learning a good deal about tax possibilities. The oil industry was paying taxes equal to about 80 per cent on the producing cost of its chief product, gasoline. Congress came along and added another 20 per cent, making taxes equal to producing cost. How could a particular industry thus be singled out for such punishment?

It isn't so hard to understand. A general manufacturer's sales tax was manifestly the easiest way to balance the Federal budget. It would have spread the burden over the widest possible array of businesses, shared it among the whole people in proportion to their spending. It would have been easy to collect, and, thus spread out so thin, it

would not have borne grievously on any particular business. The consuming public, who at last pay all taxes, would hardly have realized it at all.

But the demagogues branded it as a tax on the poor man; the politicians took fright; the great trade organizations—chambers of commerce, boards of trade, commercial clubs, and all the rest—among which honest sentiment overwhelmingly favored the sales tax, lost their nerve; selfish interests preferred heavy taxes for somebody else in order that they might escape entirely; and this mobilization of selfishness, cowardice, demagoguery and cheap politics was powerful enough to get its way.

The result is that in a desperately unfortunate juncture of national affairs the federal government is launched on a chaotic, illogical and indefensible program of revenue raising, which will certainly breed disaster unless the mistake is quickly undone. If this wrong is not promptly righted, it will shortly be found that the petroleum goose has yielded all its feathers. Whose goose will next be plucked? Is it good business to make one industry pay a tax of 125 per cent in order that other industries may avoid a tax of 2 per cent?

So long as it is possible that a single industry can be picked out for such treatment as has been accorded to oil, others may well consider when their turn will come. Personally, I feel less concerned about the immediate blow to the oil industry than about this betrayal of economic justice, this commitment to a program that can only prove disastrous. If other industries fail to resent this attack on the oil business, they may as well get ready to take their turn in giving up their feathers. We haven't any more to give.



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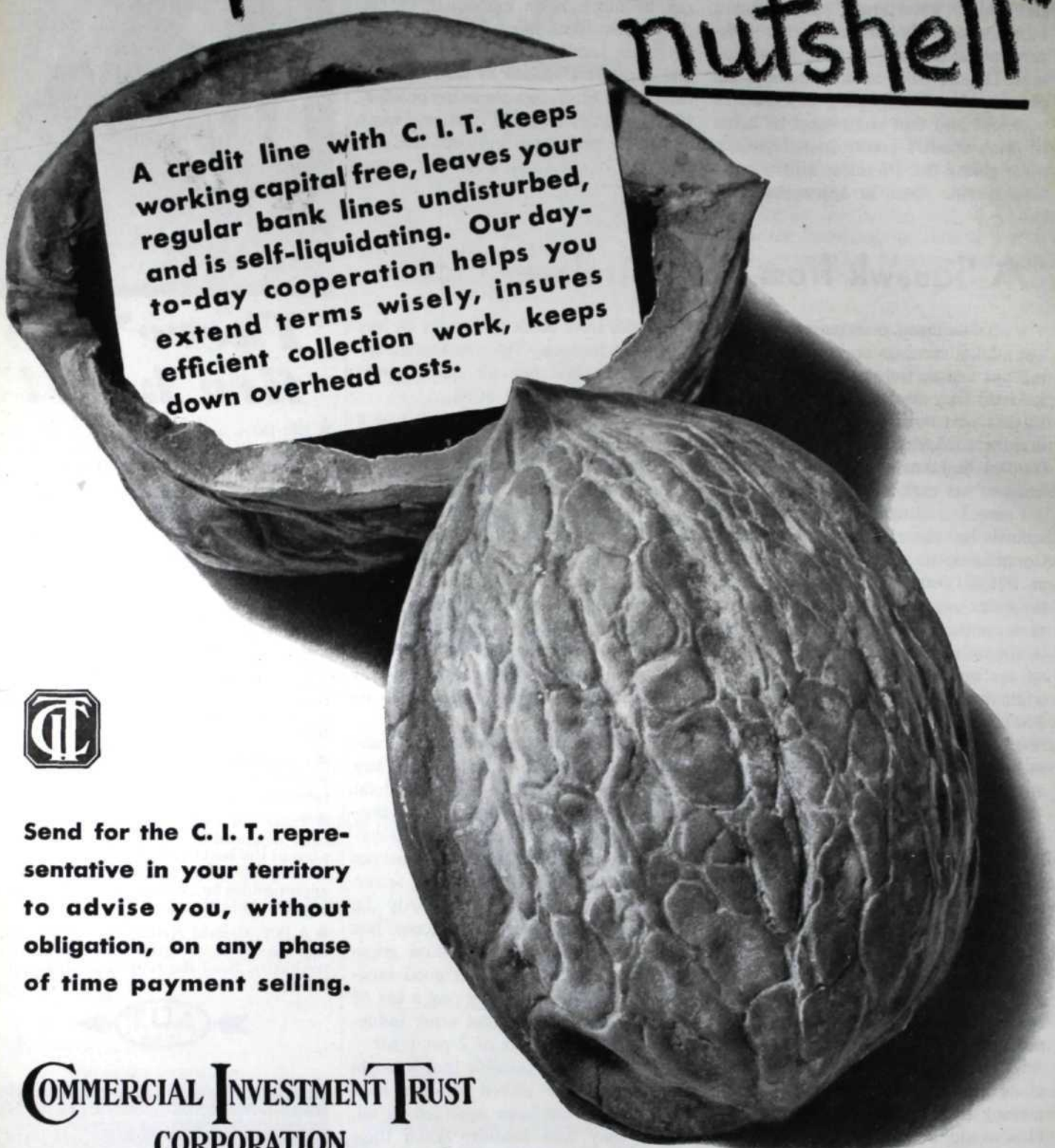
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# Things Talked about in Wall Street

By a Staff Writer of NATION'S BUSINESS

NEW YORK, SEPTEMBER 10  
**T**HE STOCK Market kept on climbing up hill through August and into September with occasional pauses to catch breath and one or two slight slips down the hill.

Yet it was a market of which there was suspicion. In the Summer and early Fall of 1929 any one would agree with you that prices were too high and ought to come down. Then he'd go out and buy on the ground that prices were going higher. Now the situation is different. Any one will agree that prices are still low and ought to go up but no one is quite confident that they are going to go up and stay up.

ONE reason for the hesitancy over the market is the feeling that business has not recovered as rapidly as many had hoped; that perhaps a stock market gain was not so good a prophet of business recovery as men had hoped. Evidence of this was found in the bank clearings for the last week of August. Outside of New York they were down to a new low. In New York, they were up due to increased dealing in securities and commodities.

WHO'S buying stocks? Brokers aren't quite sure and the Street is full of rumors and theories. Of course there's always some one to whisper in your ear that it's all a political move to create an appearance of a business revival. The next man you meet will dispose of that theory by some such remark as "horsefeathers."

There's a general agreement that a recognizable part of the buying is for foreign account. There are some who suggest that the Ottawa Conference was near enough the United States to absorb some of its confidence and that that feeling spread back to Europe.

There is however a considerable amount of small buying and a lot of it is for investment and paid for in cash. The fact that brokers' loans have not gone up as stock sales advanced is cited as proof of this.

"Don't forget, either," said a broker,

"that the speculative spirit is not dead in these United States just because folks lost out in '29 and '30. There are lots of folks feeling their way back again."

WHAT the July and August advances in Stock Market prices meant to the security holders of the country is shown by some figures in the *New York Times*. The total values of 240 listed stocks increased in July nearly three billions and in August more than four billions. In April, May and June these stocks lost in value something less than five billions.

POLITICS hasn't aroused the financial world much as yet. There have been other things to think of both in banks and brokerage offices. The active stock market, the improvement in bond prices, the feeling that commodity prices had passed their lowest, were all far more exciting than election prospects. So far there has been little betting. Bull markets make lively betting and we still are not in a real bull market.

More than that—the campaign seems to lack personal enthusiasm. A veteran watcher of politics and the financial markets put it this way:

"Have you noticed the difference in the phraseology of men talking about election? Four years ago men said 'I'm sure we can elect Hoover' or 'I still think Smith will be elected'.

"Now they say 'Oh, yes we can beat Roosevelt' or 'I think Hoover is sure to be beaten'."

GOVERNOR ROOSEVELT'S Columbus speech with its nine point program of banking and financial control and reform did something, however, to stir the interest of the financial district in the campaign. Governor Roosevelt's declaration for complete separation of investment and commercial banking attracted most attention. It was recalled that the Committee on Banking of the United States Chamber of Commerce—a committee about evenly divided between bankers and men engaged in

other lines of business—had recommended in a report issued last May:

Member banks shall be permitted to maintain as affiliated institutions companies organized to transact the business of originating and buying and selling conservative investment securities. Provisions of law should be adopted that will require that such security affiliates shall be subject to the examination and regulation of Federal banking authorities, such as the Federal Reserve Board.

I ASKED a man who's lived through more than one depression what has happened and will happen in the world of business. Here's his idea:

"We've seen the usual preliminaries to recovery, the firming bond market, the upturn, rather too sharp perhaps in the stock market, the indications of a rise in commodity prices. As a result the banks grew more sure of their position, business decides that credit is easier and grows surer of the future. That feeling seeps through the whole social structure, and if people don't buy, at least they ask prices and even price-asking is a treat to merchants.

"The order of recovery seems to be about like this: The food industries suffer less in times of depression than other industries and do not make as dramatic a recovery. The food that wasn't bought last month won't be bought next month even if business does pick up. The man who had to cut his spending for food won't rush to buy an extra supply when he feels more prosperous.

"Shoes and clothing are different. Men with reduced incomes and that means men in all walks of life have been limiting purchases, have been wearing out the old, have been piecing out with an extra pair of trousers. There is a hole to be filled in such buying. The average man finds that he needs clothes and shoes. So do his wife and children. As confidence in his future returns, even if his income is still down, he starts buying even if timidly.

"I think we're somewhere in that stage now. The industries which take care of these wants are showing signs of new life. In time other industries feel the new buying. There are hun-



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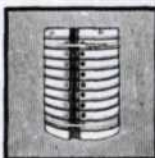


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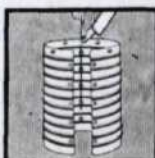
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dreds of thousands of men who want new automobiles, new furniture, a little holiday from work. We shall hear from them one day but the simpler, more immediate, wants will be filled first."

"THE reverse of this process happened in late '29 and early '30," went on this philosopher. "If you'll let your mind drift back to those exciting days you'll recall that all sorts of stories were told about cancellations of orders for expensive automobiles and women's fur coats. Some of the stories were probably true and every wiseacre went around telling his neighbor that 'luxury goods' only would be affected. Of course luxury is capable of any sort of definition. Jones's luxury is Smith's necessity. Men feared to spend money or hadn't money and one by one, they gave up things or made the old ones do. Their road to recovery reverses the process. They replace first the things which they gave up last."

WALL STREET has been low in mind and low in price records, but it keeps moving up in the air physically. The fine building of the Irving Trust Company at Broadway and Wall Street was followed by others including the Sixty Wall Street tower where the Doherty organization dwells. Across the street from the Irving Trust Company whose president Harry E. Ward apologized by letter to his neighbors for the noise of riveters, is rising the new house of the First National Bank. The Bankers Trust Company fronting Wall Street at Nassau is adding an addition at Nassau and Pine. Apparently banks expect to do business for some time yet.

There is tangible evidence that money is coming out of its hiding places. In one bank the other day I was shown a large amount of bills in large denominations and of the size current before the new money was substituted in 1928.

They were bills of from \$50 to \$500. "Out of the sock, the sugar bowl and the safe deposit box," said the banker who showed them to me.

CORPORATION reports from time to time have shown that large industrial units have apparently been adding by open market purchase to their holdings of their own stock.

Which led a veteran of New York at large and of Wall Street in particular to tell this:

"Years ago John Dunstan ran a restaurant known as Jack's on Sixth Avenue at about 44th Street. It was a center of night life in New York—and also a darn good place to eat.

"One morning about four o'clock a well known newspaper editor drifted into Jack's for his late night supper before going home to bed.

"Everybody hailed him and when his favorite waiter had rearranged the silver, brought him his cocktail and was waiting for his order, he said to the waiter:

"William, what's good this morning?"

"And William without a moment's hesitation said: 'Mr. Fox, we've just had some clams come in and they're so good, the waiters are eatin' 'em themselves'."

Which may be the principle on which companies are buying their own stocks.

## More Bureaucratic Pap

From the New York Sun

**A** NUMBER of jewelers or haberdashers or laundry owners may form a trade club to discuss business principles and methods of merchandising. If they do not know what to say at their meetings they may draw up a list of topics that interest them, send this to a bureau of the Federal Government and receive material for a 20-minute speech on one of the subjects. The marketing-service division of the Bureau of Foreign and Domestic Commerce, announcing this scheme, says it has developed a series of discussion

programs suitable for various trades. A governmental business service of this kind must exist in direct competition with many trade associations. It duplicates the work of private organizations supported by various industries and trades; furthermore, it duplicates their work at the taxpayers' expense. To cite only a few illustrations of the way business serves its own needs:

The National Retail Dry Goods Association undertakes many studies of merchandising methods, sales promotion, store management and other ac-



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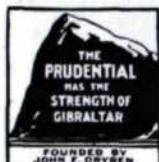
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tivities that are of interest to its members.

The Retail Grocers' Association does similar work on such problems as the causes of failure in its industry.

The Radio Manufacturers Association has studied in detail such subjects as distribution costs, selling methods and markets.

The bulletins of these and similar trade groups contain material that may be used in the discussion programs of local trade clubs. If any business man is in doubt about what his industry does to promote trade he may get information from the Chamber of Commerce of the United States. The Chamber has a trade association department that keeps informed as to the activities of business associations all over the country.

How far will business go in self-regulation if it leans heavily on bureaus

of the Federal Government for all kinds of pap while trade associations are prepared to serve it so well? Secretary Lamont, of the Department of Commerce, only a few months ago sent to a meeting of trade association executives in New York this bouquet:

"American business, through its trade associations, has demonstrated that co-operation among business groups may replace hostile . . . competition, while preserving the American principle of individual initiative. . . ."

Many of the business men who now complain about the mounting cost of government have never taken the trouble to learn what their trade associations do, and why the services offered by many bureaus in Washington represent wasteful duplication of private effort.

## If Beer Returns to Business

(Continued from page 31)

ful about the Democratic plank and certain that some sort of change is imminent.

"The brewers have allowed their plants to run down," an official of the company said, "and our business in late years has fallen off a great deal. But we are prepared for the big jump when it comes, and we feel that it is not far off."

Louis Kreiser, who has been a salesman for H. Reifenberg, "brewers supplies," for 26 years, was eloquent about the hope offered by the Democratic move. In his business of selling ammonia, coils, chemicals and hops there has been a sad decline through the years of the last decade, and a practical collapse since 1930, he said.

"With repeal," he said expanding at the thought, "every one will get a boost. The farmer will grow hops, the automobile manufacturer will make trucks, the copper industry will make coils, and the railroads will look like an industry instead of a beggars' cavalcade."

Among the brewers every one was jubilant. Norman S. Goldberger, president of the Fidelio Brewery pointed to the fact that his company issued a million shares of stock in the belief that beer soon would be legalized.

"We are all ready to go at a moment's notice," said Mr. Goldberger. "All we have to do is stop the dealcoholizing process and increase our capacity—and that won't take long."

Colonel Jacob Ruppert is of the same opinion. From his office at 1639 Third

Avenue the Colonel issued a statement that he would be ready to invest \$5,000,000 in new buildings, machinery and equipment, and hire from 800 to 1,000 additional men as soon as beer is legalized.

Whether or not all this optimism is premature, time will tell. In any event, the place once occupied by the brewing business in the nation's industrial pattern is susceptible to statistical measurement as well as to the gauge of memory.

## Without Benefit of Commission

THAT fair trade practices for an industry may be established without resort to the Federal Trade Commission was recently shown by the Range Division of the American Gas Association.

This group desired to develop its program without governmental influence and to provide, through its own arbitration machinery, for the amicable settlement of disputes arising under its Standards of Practice.

The officers of this group reasoned that a Standards of Practice program, to be successful, must have the wholehearted support of the individual members of the industry. Granted this support, enlistment of a governmental agency would be unnecessary. Accordingly trade rules were drawn up and adopted. They promise to go far to eliminate uneconomic selling practices.





## BAWLED OUT AGAIN

*yet the fault is  
with his boss*

Every time anyone had a kick to register, Williams got it. Wasn't he the purchasing agent? Wasn't it his fault that you couldn't erase on an office letterhead without rubbing right through the paper? Wasn't he the man who ordered that paper? Sure! Well then . . . call him up and raise Cain!

But wait a moment. Yes, Williams *did* order that cheap paper that everyone around the office was kicking about. But who *told* him to? A "higher-up" of the company—trying to save a few pennies here and there?

No question about it, these are days for wise, careful buying. But there's a difference between saving money *intelligently*, and saving it *at the price of quality*.

Most business men today know that in the field of bond paper there's *one* standard



**ORDINARY BOND PAPER:**  
*Why put up with this? Mistake erased, then rewritten, leaving ugly, telltale, "blotted" appearance. An everyday occurrence.*



**NEW HAMMERMILL BOND:**  
*When you can get this! Mistakes easily erased without harming surface of paper. Correction made neatly. No ink "spread."*

that has always offered real quality—and now more so than ever. Yet the price gives the saving that real executives are looking for these days.

The paper is New Hammermill Bond. Not only does it erase easily, it's whiter than other papers. It's smoother, easier and faster to write on. It has that snap, crackle and "feel" that command respect. And yet

Hammermill Bond's new "premium quality" costs no more than ordinary paper.

Ask your printer about it for all office forms, letterheads, envelopes.

### **NEW! Idea Kit . . . personalized for your business**

Something new for the busy executive. An Idea Kit made up of commercial printing suggestions to fit your particular business . . . and save you time, trouble and money.

Cover imprinted with your name to identify the Kit as your own. Filled with printed specimens of New Hammermill Bond, in white and 13 colors. Fill out coupon, then attach to your business letterhead (mention your line of business if not printed on the letterhead) so we may select suitable material. (Sent free anywhere in the United States. Outside of U. S. A. 50¢.)

*new*  
**HAMMERMILL  
BOND**

LOOK FOR THE WATERMARK  
*It is our word of honor to the public*



Hammermill Paper Company, Erie, Penn., Dept. N 2-2  
Please make up an Idea Kit for me.

Name \_\_\_\_\_

Position \_\_\_\_\_

Line of business \_\_\_\_\_

(Fill in above lines and attach coupon to your business letterhead)



# This Man's Wife Teaches Him To Enjoy His Pipe

## Finds New Tobacco For Him When All Others Fail

Walter H. Noble is a lucky fellow. For not every man has a wife who knows what to do when his pipe goes back on him and he's at his wit's end to know what to do to get real smoking satisfaction. Let Mr. Noble tell you in his own words what happened:

19 W. 44th Street  
New York City  
Oct. 2, 1931

Larus & Bro. Co.  
Richmond, Va.

Gentlemen:

For many years now I have been just an "off and on" pipe smoker, for I have never been able to find a tobacco that had no bite and no unpleasant aftertaste. During this time I've smoked many, many brands—some costly, some cheap. My sister even sent me an expensive pipe from Paris, but it was no go.

The pipe was all right, but not the tobacco. Last summer while up in the country my wife saw one of your advertisements in a magazine, and sent for the sample offered. The sample never arrived, but your letter stating that it had been mailed did. This stimulated my desire to try your tobacco, so I bought some. I want to say that I am grateful to you for bringing this fine tobacco to my attention. I really enjoy my smoke now, and my pipe has at last come into its own.

Most cordially yours,  
Walter H. Noble

P.S. Never mind the sample now. Send it to some other man who may have had the same trouble I did. If he tries it I feel sure that he will be a convert.

There's a man who'll leave no stone unturned to find just the tobacco he wants! Even when his Edgeworth sample failed to arrive, he made up his mind to give this tobacco a try anyhow. And, happily, he found what he wanted. Speaking of samples, that was a thoughtful P. S. that Mr. Noble appended to his letter—just the kind of good luck one enthusiastic pipe smoker *would* wish another.

This letter is but one of thousands received saying that Edgeworth is the *one* tobacco that seems to satisfy right down to the ground.

Your name and address, sent to Larus & Brother Co. at 119 S. 22d St., Richmond, Va., will bring you a generous sample packet of Edgeworth. If you get the smoking enjoyment out of it that most men do, you can be sure of finding the same fine quality in the Edgeworth you buy at any tobacco store, for Edgeworth quality is always the same.

You can buy it in two forms—Edgeworth Ready-Rubbed and Edgeworth Plug Slice. All sizes from 15 cent pocket package to pound humidior tin. Listen to Edgeworth's radio program, "The Corn Cob Pipe Club of Virginia" every Wednesday evening from 10 to 10:30 (E. S. T.) over a coast-to-coast network of the National Broadcasting Co.



THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

## Advertising is the Fuel of Business

A FEW years ago, William Wrigley made a statement to the effect that advertising is to business what fuel is to the locomotive. Stop the fuel supply and the locomotive stops—stop advertising and business slows down. Advertising also might be compared to life insurance which pays dividends only if kept up. There is no black magic about advertising. It is simply one of the major distribution costs. But, more important, it is one of the most powerful economic forces in existence.

What business needs today is the same faith in advertising and sales promotion that it had in these two forces during the fair weather periods. Experience shows that advertising is often more effective in poor times.

What advertising needs is men who know more about it than the preparation of magazine and newspaper advertisements.

It is easier to buy a market today than at any time during the last ten years. The advertising dollar goes farther.

There are many cases on record, wherein companies have ceased advertising and have stayed in business for a considerable period. But there are no such cases wherein a penalty has not been paid eventually.

WALTER J. DAILY  
Manager, Sales Promotion Division  
Electric Refrigeration Department  
General Electric Company

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# COVERAGE

57%  
IN 1917

42%  
IN 1917

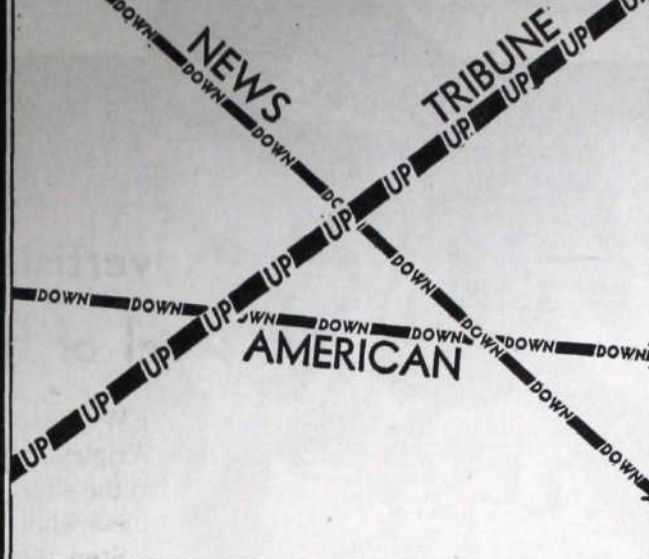
36%  
IN 1917

55%  
IN 1932

40%  
IN 1932

35%  
IN 1932

Percentages of coverage of families  
in Chicago and suburbs by daily  
newspapers in 1917 and in 1932



FAMILIES AND DAILY NEWSPAPER CIRCULATIONS IN METROPOLITAN CHICAGO

	1917		1932	
	Number	Coverage	Number	Coverage
Families . . . . .	748,136	...	1,157,677	...
Tribune . . . . .	270,810	36%	634,778	55%
American . . . . .	313,800	42%	467,648	40%
News . . . . .	428,746	57%	404,917	35%

Note: Circulations are averages for six months' periods ended March 31, and for city and suburban only.

## YOU DON'T

## GET VOLUME WITHOUT IT!

NO salesman who skimps on calls gets volume. You don't get business without asking for it. And you don't get volume if you don't ask enough prospects.

There are 1,157,677 families in Chicago and suburbs. This market is no more of a push-over than any other big one. Newspapers which only skirt the edge of buying power and don't carry enough interest to sell themselves, don't get these millions excited. IT TAKES COVERAGE TO GET ACTION. Only one Chicago newspaper has it.

Fifty-five per cent of the families in Chicago and suburbs read the Tribune. 36 per cent more than read any other Chicago newspaper! Duplication considered, the Tribune reaches practically as many families in Chicago and suburbs as any two other Chicago newspapers combined.

In 1917, fifteen years ago, when the sweeping changes in American ideas and habits began, the Tribune had 36 per cent coverage and was third in volume of daily city and suburban circulation.

Today it is first—with a gain of 53 per cent in density of coverage. Meanwhile, every other Chicago daily newspaper

lost its standing in the community, merged or went out of business.

Before a newspaper can sell goods for an advertiser it ought to be able to sell itself. It hasn't done that when it goes back while the population in its own community increases by 409,541 families—55 per cent.

When a newspaper trims, ignores the needs and interests of its community, cuts down on news, the public soon catches on.

The Tribune doesn't starve its news columns. It has not slashed its news service. It continues to send its trained reporters with the Sox and Cubs when they play out of town games. It continues to maintain the best staff of correspondents in every foreign country of importance

to readers. It continues to cover every major event in the fields of finance, politics, or general news with specialists who are on the regular Tribune pay roll. It continues to print the news—fully, accurately and interestingly written—that the public wants.

Because the Tribune is constantly increasing the quality and quantity of its service to readers it is the most popular newspaper in Chicago and suburbs. It reaches more people in every level of family life of interest to advertisers than any other Chicago newspaper.

If you don't reach people, you don't sell them. The Chicago newspaper which gets volume of sales for advertisers in this market is the one that got volume of circulation for itself.

Ask about the new Tribune rates which enable advertisers to buy more space to get more sales in this market.

## Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER  
FIRST IN CIRCULATION—FIRST IN ADVERTISING—FIRST IN RESULTS

Chicago Tribune Offices: Chicago, Tribune Tower. New York, 220 East 42nd Street. Atlanta, 1825 Rhodes-Haverty Bldg. Boston, 718 Chamber of Commerce Bldg. San Francisco, 820 Kohl Bldg.



# Big business pauses-



Says you: Says me:  
*"This is the pause that refreshes"*

Here's the drink that gets a hand from everybody. A taste thrill. A happy answer to thirst. Wholesome, sure-fire refreshment. It means so much. Costs so little—only 5 cents. Takes but a minute. Hence, millions pause for ice-cold Coca-Cola, and are off to a fresh start. The Coca-Cola Co., Atlanta, Ga.





TAKE ADVANTAGE OF THESE  
**REAL VALUES**  
 IN LONG DISTANCE SERVICE

**STATION-TO-STATION CALLS COST ABOUT**



Station-to-Station  
**DAYTIME RATES**  
 (4:30 A. M. — 7:00 P. M.)



Station-to-Station  
**EVENING RATES**  
 (7:00 P. M. — 8:30 P. M.)



Station-to-Station  
**NIGHT RATES**  
 (8:30 P. M. — 4:30 A. M.)

**15%** less after **7:00 p.m.**

**40%** less after **8:30 p.m.**

LONG DISTANCE telephone rates are low, the day through. But twice each day the rates for station-to-station calls—those on which you will talk with any one who answers—are exceptionally low. Beginning at 7 o'clock in the evening, rates are reduced about 15 per cent, varying between 10 and 20 per cent, on nearly all station-to-station calls where the day rate is more than 35c. At 8:30 the rates drop approximately 40 per cent under daytime cost. These unusual values last until 4:30 in the morning.

For social and personal long distance calls, these evening and night rates are always popular.

And now business men are finding evening and night telephone calls a most economical way of transacting out-of-town business after hours. Branch managers, for instance, hold helpful, inexpensive discussions with executives at their homes. Salesmen report to their chiefs; or make appointments with customers for the next day. Officials in different cities confer as easily as though in the same city block.

Today, business men are turning to Long Distance for economy. It gets results—at a saving of time and money. Long Distance rates have been reduced four times in the past few years. Consult your local telephone directory to see how low they really are. Or ask the operator for the rate to any city.





# DO YOU INHALE?



## Luckies "make no bones" about this vital question

"KEEP that under your hat," said the cigarette trade when first we raised the question—"Do you inhale?"

But silence is golden only when it's unwise to speak. Let others explain their striking avoidance of this subject. Lucky Strike makes its position crystal clear...for certainly, inhaling is most important to every smoker.

For everybody inhales—whether they realize it or not...every smoker breathes in

some part of the smoke he or she draws out of a cigarette.

Do you inhale? Lucky Strike "makes no bones" about this vital question because certain impurities concealed in even the finest, mildest tobacco are removed by Luckies' famous purifying process. Luckies created that process. Only Luckies have it!

**"It's toasted"**  
Your Protection—against irritation  
against cough



Copyright, 1932.  
The American  
Tobacco Co.

O. K. AMERICA

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike features, every Tuesday, Thursday and Saturday evening over N.B.C. networks.